



139 East Fourth Street, R. 25 At II
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-287-3601
Fax: 513-287-3810
John.FinniganJr@duke-energy.com

John J. Finnigan, Jr.
Senior Counsel

VIA HAND DELIVERY

RECEIVED

June 16, 2006

JUN 16 2006

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

**PUBLIC SERVICE
COMMISSION**

Re: In the Matter of an Adjustment of the Electric Rates of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc.
Case No. 2006-00172

Dear Ms. O'Donnell:

Enclosed is an original and ten copies of Duke Energy Kentucky's Motion for Rehearing, Motion for Waiver of Filing Requirements and Motion to Amend or Supplement the Application filed in the above-referenced case.

Please date stamp and return the two extra copies in the enclosed self-addressed envelope.

Thank you for your consideration in this matter.

Very truly yours,

John J. Finnigan, Jr.
Senior Counsel
Duke Energy Shared Services, Inc.

JJF/sew

cc: Hon. Dennis G. Howard (w/encl.)
Hon. Elizabeth E. Blackford (w/encl.)
Hon. David G. Boehm (w/encl.)
Hon. Michael L. Kurtz (w/encl.)
Hon. Carl J. Melcher (w/encl.)
Hon. Anthony G. Martin (w/encl.)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 16 2006

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE ELECTRIC)
RATES OF THE UNION LIGHT, HEAT) CASE NO. 2006-00172
AND POWER COMPANY D/B/A DUKE)
ENERGY KENTUCKY, INC.)

**MOTION OF THE UNION LIGHT, HEAT AND POWER COMPANY
D/B/A DUKE ENERGY KENTUCKY, INC.:**

**(1) FOR REHEARING OF THE COMMISSION'S
JUNE 9, 2006 NOTICE OF FILING DEFICIENCY;
OR, IN THE ALTERNATIVE,**

**(2) FOR WAIVER OF FILING REQUIREMENT
807 KAR 5:001, SECTION 10(1)(B)(8);
OR, IN THE ALTERNATIVE,**

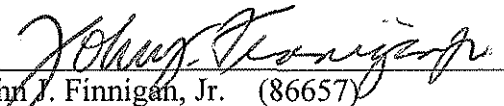
**(3) TO AMEND OR, IN THE ALTERNATIVE, TO SUPPLEMENT
ITS MAY 31, 2006 APPLICATION, NOTICE
AND STATEMENT WITH THE ATTACHED PROPOSED TARIFF SHEETS,
AND FOR 20-DAY NOTICE OF THE EFFECTIVE DATE
OF THE PROPOSED TARIFF PURSUANT TO KRS 278.180**

Pursuant to KRS 278.040(3), 278.180, 278.400 and 807 KAR 5:001 Sections Section 3(5) and Sections 10(10) and 10(11), The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc. ("Duke Energy Kentucky" or "Company") moves the Commission: (1) for rehearing of the Commission's June 9, 2006 notice of filing deficiency; or, in the alternative, (2) for waiver of filing requirements 807 KAR 5:001, Section 10(1)(b)(8); or, in the alternative, (3) to amend or, in the alternative, to supplement its May 31, 2006 Application, Notice and Statement ("Application") with the attached proposed tariff sheets, and for 20-day notice of the proposed tariff pursuant to

KRS 278.180. This motion is based on the Company's Application and the accompanying memorandum.

Respectfully submitted,

DUKE ENERGY KENTUCKY



John J. Finnigan, Jr. (86657)

Senior Counsel

P. O. Box 960

Room 2500, Atrium II

139 East Fourth Street

Cincinnati, Ohio 45201-0960

Phone: (513) 287-3601

Fax: (513) 287-3810

e-mail: John.FinniganJr@duke-energy.com

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MEMORANDUM

JUN 16 2006

PUBLIC SERVICE
COMMISSION

I. STATEMENT OF FACTS

Duke Energy Kentucky filed an Application on May 31, 2006 seeking a general adjustment in its retail electric rates pursuant to KRS 278.180. The Commission issued a notice of filing deficiency dated June 9, 2006, which the Company's counsel received on June 15, 2006. The notice of filing deficiency states that the Company's proposed tariff failed to comply with 807 KAR 5:001, Section 10(1)(b)(8) because the proposed tariff failed to indicate changes from the current tariff using underscoring/strikethroughs. The Commission also noted, without citing this as a deficiency, that the Company's proposed tariff does not contain an effective date, and that the Company would need to re-file its proposed tariff with an effective date prior to implementing the tariff.

Duke Energy Kentucky's proposed tariff is located at Volume 12, Schedules L-1, L-2.1 and L-2.2 of the Application. Mr. Jeffrey R. Bailey is the Company witness who sponsors and explains the proposed tariff. His testimony is located at Volume 15 of the Application. As Mr. Bailey explains at pages 3-4 of his testimony, Schedule L-1 is the Company's proposed tariff in clean format; Schedule L-2.1 is the Company's current tariff, with proposed changes in underscoring/strikethroughs; and Schedule L-2.2 is the Company's proposed tariff, with proposed changes in underscoring/strikethroughs.

A. Effective Date of Proposed Tariffs

807 KAR 5:001, Sections 10(1)(b)(7) requires that a proposed new tariff must have an effective date. The Company provided clear notice that the effective date of the proposed tariff is July 1, 2006. The Company so stated in its May 31, 2006 filing at:

- Application, page 2, numbered paragraph 4;

- Application, page 8, numbered paragraph 19;
- Application, page 8, numbered paragraph 20;
- Testimony of Mr. Jeffrey R. Bailey, Volume 15, page 36, lines 1-6;
- Statement of Ms. Sandra P. Meyer and copy of customer notice provided at Filing Requirements, Volume 1, Tab 11;
- Customer notice provided at Filing Requirements, Volume 1, Tab 15; and
- Customer notice provided at Filing Requirements, Volume 1, Tab 63;

Duke Energy Kentucky also published the customer notice, containing the July 1, 2006 effective date, in newspapers of general circulation for three consecutive weeks.

The Commission's deficiency letter did not note this matter as a filing deficiency, but merely stated that the Company would need to re-file the proposed tariff with an effective date prior to implementing the tariff. The Company opts to re-file its proposed tariff, with an effective date, at the present time. Duke Energy Kentucky hereby provides an original and ten copies of the proposed tariff in two versions: (1) with an "issued" date of May 31, 2006 and an "effective" date of July 1, 2006, which the Company requests the Commission to accept if the Commission *grants* the Company's request for rehearing or waiver or amendment/relation back as requested herein; and (2) with an "issued" date of June 16, 2006 – the date of today's filing – and an "effective" date of July 6, 2006 – 20 days after today's filing, which the Company requests the Commission to accept as a supplement to its Application, if the Commission *denies* the Company's request for rehearing or waiver or amendment/relation back as requested herein.

B. Form of Proposed Tariffs

807 KAR 5:001, Sections 10(1)(b)(8) requires that proposed new tariffs must show proposed tariff changes through either of two methods. The first method is a side-by-side presentation of the current tariff versus proposed changes. The second method is to portray the current tariff, with the proposed additions in italicized inserts or underscoring, and the proposed deletions in strikethroughs.

The Company opted for the second method. The Company provided two documents to address this requirement: Schedules L-2.1 and L-2.2. As noted above, Schedule L-2.1 is the Company's current tariff, with proposed language changes in underscoring/strikethroughs. This schedule shows the current rates underscored to show proposed changes, and with a notation of "(I)" alongside each rate that the Company seeks to increase. Schedule L-2.2 is the Company's proposed tariff, with language changes in underscoring/strikethroughs. This schedule shows the proposed rates underscored to show proposed changes, and with a notation of "(I)" alongside each rate that the Company seeks to increase and "(N)" alongside each new rate the Company proposes to introduce.

The Commission apparently issued the deficiency letter because the information was presented in two separate documents – Schedules L-2.1 and L-2.2 – rather than in one document, and because the current rates that the Company seeks to increase were underscored instead of stricken-through.

The Company filed the proposed tariff in the present case using the same form as in Case No. 2001-00092 and Case No. 2005-00042. The Commission determined in

those cases that presenting the information in two documents rather than one document satisfied the Commission's filing requirements in those cases.¹

The Company hereby provides an original and ten copies of the proposed tariff, labeled as Schedule L-2.2, showing the proposed additions in italicized inserts or underscoring, and the proposed deletions in strikethroughs – all in the same document, rather than using two separate documents. Given that this information is fully presented in Schedule L-2.2, this renders Schedule L-2.1 obsolete. This new Schedule L-2.2 contains an “issued” date of June 16, 2006 – the date of today’s filing – and an “effective” date of July 6, 2006 – 20 days after today’s filing. The Company requests the Commission to accept this new Schedule L-2.2 as a supplement to its Application, if the Commission *denies* the Company’s request for rehearing or waiver or amendment/relation back as requested herein.

II. DISCUSSION

A. Rehearing of the Commission’s June 9, 2006 Notice of Filing Deficiency

Duke Energy Kentucky seeks rehearing of the Commission’s June 9, 2006 Notice of Filing Deficiency on the grounds that the May 31, 2006 filing substantially complied with 807 KAR 5:001, Section 10(1)(b)(8). As noted above, the Company provided the proposed tariff changes in underscoring/strikethroughs; however, the Company provided the information in the form of two documents rather than one document, and the current rates that the Company seeks to increase in Schedule L-2.1 were shown by underscoring rather than strikethroughs. The Company submits that this constitutes substantial

¹ The Commission issued a deficiency letter in Case No. 2001-00092 involving an unrelated matter.

compliance with the rule. Additionally, the Company used the same tariff format in Cases 2001-00092 and 2005-00042, and the Commission found that the tariff format was acceptable in those cases.

The Commission's past decisions recognize the doctrine of substantial compliance in the context of the Commission's regulations for the form and content of applications, and for the customer notice requirements for applications.² The Commission has also recognized the principle that prior Commission decisions can establish precedents for future proceedings.³

Duke Energy Kentucky's only shortcoming is that the proposed tariff changes were presented in two documents rather than one document, and that the current tariffs intended to be changed were shown in underscoring rather than strikethroughs. Given the minor variance from the rule and given that the Commission has found this format to be acceptable in two recent cases, Duke Energy Kentucky respectfully requests that the Commission grant the Company's request for rehearing and: (1) find that this tariff format substantially complies with 807 KAR 5:001, Section 10(1)(b)(8); (2) withdraw the notice of filing deficiency; and (3) accept the Company's application for filing as of May 31, 2006.

B. Waiver of Filing Requirement 807 KAR 5:001, Section 10(1)(b)(8)

If the Commission denies the Company's request for rehearing, Duke Energy Kentucky requests that the Commission grant a waiver, pursuant to 807 KAR 5:001,

² *In the Matter of the Application of East Kentucky Network Limited Liability Company for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Tower in Elliott County, Kentucky*, Case No. 2004-00249 (Opinion and Order) (November 29, 2004); *In the Matter of An Adjustment to the Electric Rates, Terms and Conditions of Kentucky Utilities Company*, Case No. 2003-00434 (Opinion and Order) (March 31, 2004).

³ *See, e.g., In the Matter of Application of Louisville Gas and Electric Company for an Order Approving the Accounting Treatment Relating to Income Tax Expense for 2005 and Subsequent Years*, Case No. 2005-00180 (Opinion and Order) (June 30, 2005).

Section 10(11), from the requirements of 807 KAR 5:001, Section 10(1)(b)(8). Under 807 KAR 5:001, Section 10(11), the Commission can waive the filing requirements for rate applications for good cause shown, upon considering: (a) whether the utility provides other information that enables the Commission to effectively and efficiently review the rate application; (b) whether the information required under the filing requirement is normally available to the utility; and (c) the expense to the utility in providing the required information.

Duke Energy Kentucky's initial Application provides the information to allow the Commission to effectively and efficiently review the Application. The information – the proposed tariff changes – is simply provided in two separate documents rather than one single document. The Commission has demonstrated that it can use this format to effectively and efficiently review the Company's rate applications because the Commission used the Company's same tariff format in Case Nos. 2001-00092 and 2005-00042. The information required under this filing requirement is available to the Company, but not in the format required by the filing requirement. The filing requirement requires the Company to manually insert the proposed rates into the same tariff as the current rates. The Company presented the information in two separate documents because the Company believed this was less cluttered and more user-friendly, and because the Commission accepted this format in past cases.

Based on the foregoing, Duke Energy Kentucky respectfully submits that these circumstances demonstrate good cause, such that a waiver is appropriate. The Company therefore respectfully requests that the Commission waive the requirements of 807 KAR 5:001, Section 10(1)(b)(8) and accept the Company's Application as of May 31, 2006.

C. Amendment/Supplementation of Application

807 KAR 5:001, Section 3(5) allows the Commission to permit any filing to be amended, at the Commission's discretion. If the Commission denied the Company's rehearing and waiver requests, Duke Energy Kentucky respectfully requests that the Commission: (1) accept the revised Schedule L-2.2 filed herewith as an amendment to the Application; and (2) find that the amendment relates back to the May 31, 2006 filing; and (3) accept the Application for filing as of May 31, 2006.

In the alternative, Duke Energy Kentucky requests that the Commission accept the revised Schedule L-2.2 as a supplemental filing that cures the filing deficiency, and accept the filing as of today's date – June 16, 2006. Duke Energy Kentucky respectfully requests that the notice date for the proposed tariff be shortened to 20 days, as permitted at the Commission's discretion and for good cause under KRS 278.180. Duke Energy Kentucky respectfully submits that the foregoing circumstances demonstrate good cause to invoke the shortened 20-day notice under KRS 278.180, and that no one would be prejudiced by reducing the notice requirement to 20 days because the Company has widely publicized that the effective date of its proposed tariff is July 1, 2006, and the news media has widely reported on the Company's pending Application.

Conclusion

The Application consists of an estimated 8,000 pages. The filing deficiency noted by the Commission involved the Company's presentation of proposed tariff changes in two documents rather than one document. Although the proposed tariff changes are presented in two documents, the Company respectfully submits that this format enables the Commission to effectively and efficiently review the Application. Indeed, the

Commission has done so in the Company's past two gas rate cases, where the Company used the same tariff format. In a complex filing of this nature and where two recent precedents existed for using this format, Duke Energy Kentucky respectfully submits that this tariff format does not merit a filing deficiency. In the alternative, Duke Energy Kentucky respectfully requests a finding that the filing deficiency is now cured, and that it has demonstrated good cause for using a 20-day notice period.

Respectfully submitted,

DUKE ENERGY KENTUCKY



John J. Finnigan, Jr. (86657)

Senior Counsel

P. O. Box 960

Room 2500, Atrium II

139 East Fourth Street

Cincinnati, Ohio 45201-0960

Phone: (513) 287-3601

Fax: (513) 287-3810

e-mail: John.FinniganJr@duke-energy.com

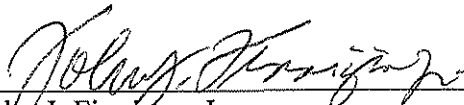
CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing motion has been served by hand delivery to the following counsel for parties in the Company's last rate proceeding on this 16th day of June, 2006:

Hon. Dennis G. Howard
Hon. Elizabeth E. Blackford
Office of Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601

Hon. Carl J. Melcher
Hon. Anthony G. Martin
302 Greenup Street
Covington, Kentucky 41011-1740

Hon. David G. Boehm
Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
Suite 1510
36 East Seventh Street
Cincinnati, Ohio 45202-4434



John J. Finnigan, Jr.

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JUN 16 2006

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

PUBLIC SERVICE
COMMISSION

Schedule L-1
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Witness Responsible: J. R. Bailey

KY.P.S.C. Electric No. 1
First Revised Sheet No. 10
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Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No. 2006-00172.

Issued: May 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

INDEX TO APPLICABLE ELECTRIC TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

INDEX TO APPLICABLE ELECTRIC TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

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(N)

Issued by authority of an Order of the Kentucky Public Service Commission dated

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Issued: May 31, 2006

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
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Cancels and Supersedes
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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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INDEX TO APPLICABLE ELECTRIC TARIFF SCHEDULES AND COMMUNITIES SERVED

COMMUNITIES SERVED:

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Bellevue	Independence
Boone County	Kenton County
Bromley	Kenton Vale
Campbell County	Lakeside Park
Cold Spring	Latonia Lakes
Covington	Ludlow
Crescent Park	Melbourne
Crescent Springs	Newport
Crestview	Park Hills
Crestview Hills	Pendleton County
Crittenden	Ryland Heights
Dayton	Silver Grove
Dry Ridge	Southgate
Edgewood	Taylor Mill
Elsmere	Union
Erlanger	Villa Hills
Fairview	Walton
Florence	Wilder
Fort Mitchell	
Fort Thomas	Woodlawn
Fort Wright	
Grant County	

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 20
Cancels and Supersedes
Original Sheet No. 20
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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

When a prospective customer desires electric service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

2. Customer's Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any electric service for the purpose mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of electricity.
- (d) Use of electricity, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the electric service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within twenty-four (24) hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

4. Connection of Service.

Except as provided in SECTION 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and the Commission's regulations have been met. (C)

5. Change of Address to Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three days, to discontinue service.

If Customer moves to an address at which he requires electric service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice. (C)

6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors of administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters, or transformers, on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service drop to Customer's service terminals.

Company installs its overhead service drop, supplies one set of service drop attachment fittings and makes connection to Customer's service terminals.

The rates for each class of service provided for in the Rate Schedules contemplate the furnishing of service to one location or premise through one standard service connection. Where Customer is receiving service through more than one standard service connection, Company will calculate and render a separate bill for service furnished through each service connection.

Subject to the rules, conditions and riders covering the installation of service connections and extensions, Company will make one standard service connection to Customer's installation; if three phase service is required an additional connection is necessary, both will be considered as one standard service connection.

2. Company's Property and Protection Thereof.

All meters, and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

3. Relocation of Facilities

When a customer or private party requests the Company to relocate the Company's facilities or a customer's service entrance wiring, such requesting party shall pay all expenses related to such relocation. (N)

When the Company relocates its facilities or a customer's service entrance wiring at the request of a governmental entity (or Administrating Agency) and if the relocation was related to a project financed through transportation improvement district funding, joint economic development district funding, tax increment funding, or similar quasi-public funding, then the governmental entity (or Administrating Agency) shall pay for the cost of relocating Company's facilities in direct proportion to the contributions received from the other funding sources. (N)

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RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to electric service other than three phase service, for all domestic purposes in private residences, single occupancy apartments and separately metered common use areas of multi-occupancy buildings in the entire territory of the Company where distribution lines are adjacent to the premises to be served.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multi-occupancy building are served through one meter and the common use area is metered separately, the kilowatt-hour rate will be applied on a "per residence" or "per apartment" basis, however, the customer charge will be based on the number of installed meters.

Where a portion of a residential service is used for purposes of a commercial or public character, Rate DS, Service At Distribution Voltage, is applicable to all service. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this Rate will be applied to the residential service, if the service qualifies hereunder.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

- | | | | |
|---|------------|-----------|-----|
| 1. Base Rate | | | |
| (a) Customer Charge | \$5.00 | per month | (I) |
| (b) Energy Charge | | | |
| All kilowatt hours | \$0.081299 | per kWh | (I) |
| 2. Applicable Riders | | | (C) |
| The following riders are applicable pursuant to the specific terms contained within each rider: | | | (D) |
| Sheet No. 78, Rider DSMR, Demand Side Management Rider | | | |
| Sheet No. 80, Rider FAC, Fuel Adjustment Clause | | | (N) |
| Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric | | | |
| Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism | | | |

The minimum charge shall be the Customer Charge as shown above.

BILLING PERIODS

For purposes of the administration of the above Base Rate charges, the summer period is that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

This rate is available upon application in accordance with the Company's Service Regulations.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at the Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, and all applicable riders, shall not exceed \$0.235249 per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh): (C)

1. Base Rate

(a) Customer Charge per month			
Single Phase Service	\$ 7.50	per month	(I)
Three Phase Service	\$ 15.00	per month	
(b) Demand Charge			
First 15 kilowatts	\$ 0.00	per kW	
Additional kilowatts	\$ 8.00	per kW	(I)
(c) Energy Charge			
First 6,000 kWh	\$0.080731	per kWh	
Next 300 kWh/kW	\$0.049510	per kWh	(I)
Additional kWh	\$0.040922	per kWh	

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (C)

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be the Customer Charge shown above.

For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed \$0.139607 per kilowatt-hour plus all applicable riders. (I)
(C)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

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METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than the higher of the following:

- a) 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months; or
- b) One (1) kilowatt for single phase secondary voltage service and five (5) kilowatts for three phase secondary voltage service.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

- a. Continuous measurement
 - the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or
- b. Testing
 - the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by a minimum notice of either the customer or the Company as prescribed by the Company's Service Regulations.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for customers with an average monthly demand of 500 kilowatts or greater where the Company specifies service at a nominal distribution system voltage of 34,500 volts or lower, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt of demand abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge			
Single Phase	\$ 7.50	per month	(I)
Three Phase	\$ 15.00	per month	
Primary Voltage Service	\$100.00	per month	
(b) Demand Charge			
Summer			
On Peak kW	\$ 11.56	per kW	(I)
Off Peak kW	\$ 1.19	per kW	
Winter			
On Peak kW	\$ 10.15	per kW	(I)
Off Peak kW	\$ 1.19	per kW	
(c) Energy Charge			
All kWh	\$0.041927	per kWh	(I)

2. Applicable Riders

- The following riders are applicable pursuant to the specific terms contained within each rider:
- Sheet No. 78, Rider DSMR, Demand Side Management Rider (C)
 - Sheet No. 80, Rider FAC, Fuel Adjustment Clause (D)
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

The minimum charge shall be the Customer Charge, as stated above.

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NET MONTHLY BILL (Contd.)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

For purposes of administration of the above Base Rate charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday, as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, kilowatt hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

If the customer furnishes primary voltage transformers and appurtenances, in accordance with the Company's specified design and maintenance criteria, the Demand Charge, as stated above, shall be reduced as follows:

First 1,000 kW of On Peak billing demand at \$0.65 per kW.
Additional kW of On Peak billing demand at \$0.50 per kW.

(1)

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

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POWER FACTOR ADJUSTMENT

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a period of three (3) years for secondary voltage service and five (5) years for primary voltage service terminable thereafter by a minimum notice of either the customer or the Company as follows:

- (1) For secondary voltage service customers, as prescribed by the Company's Service Regulations.
- (2) For primary voltage service customers with a most recent twelve month average demand of less than 10,000 kVA or greater than 10,000 kVA, written notice of thirty (30) days or twelve (12) months respectively, after receipt of the written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of the administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's demand is less than 500 kilowatts and the Company expects the customer's demand to remain below 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage shall be applicable initiating with the June revenue month billing and shall continue until the term of service of that rate is fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly greater than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

Applicable to electric service for heating when customer's wiring is so arranged that heating service can be furnished at one point of delivery and can be metered separately from all other types of service or to any public school, parochial school, private school, or church when supplied at one point of delivery, provided permanently connected and regularly used electrical equipment is installed in compliance with the Company specifications as the primary source of heating or heating and cooling the atmosphere to temperatures of human comfort; and provided all other electrical energy requirements are purchased from the Company. No single water heating unit shall be wired that the demand established by it can exceed 5.5 kilowatts unless approved by the Company.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

A. Winter Period

1. Base Rate

(a) Customer Charge			
Single Phase Service	\$ 7.50	per month	(I)
Three Phase Service	\$ 15.00	per month	(I)
Primary Voltage Service	\$ 100.00	per month	

(b) Energy Charge			
All kWh	\$0.067222	per kWh	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider	(C)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause	(N)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric	
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism	

The minimum charge shall be the Customer Charge stated above.

B. Summer Billing Period

For energy used during the summer period, the kilowatt demand and kilowatt-hour use shall be billed in accordance with the provisions of the applicable Rate DS or Rate DP.

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NET MONTHLY BILL (Contd.)

For purposes of administration of the above charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

DEMAND

Customer's Demand will be the kilowatts as determined from Company's meter for the fifteen-minute period of customer's greatest use during the month or as calculated by the Company, but not less than five (5) kilowatts.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

Applicable to electric service required for sports installations, such as football and baseball fields, swimming pools, tennis courts, and recreational areas, promoted, operated and maintained by non-profit organizations, such as schools, churches, civic clubs, service clubs, community groups, and municipalities, where such service is separately metered and supplied at one point of delivery, except, not applicable to private sports installations which are not open to the general public. This rate is available only to customers to whom service was supplied in accordance with its terms on June 25, 1981.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt hours are abbreviated as kWh):

1. Base Rate
 - (a) Customer Charge \$7.50 per month (I)
 - (b) Energy Charge \$0.093751 per kWh
2. Applicable Riders (C)
 - The following riders are applicable pursuant to the specific terms contained within each rider:
 - Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)
 - Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be a sum equal to 1.5% of the Company's installed cost of transformers and metering equipment required to supply and measure service, but not less than the customer charge whether service is on or disconnected.

RECONNECTION CHARGE

A charge of \$25.00 is applicable to each season to cover in part the cost of reconnection of service. (I)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
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RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

Applicable to electric service in the Company's entire territory for small fixed, electric load which can be served by a standard service drop from the Company's existing secondary distribution system where it is considered by the Company to be impractical to meter, such as service locations for bus shelters, telephone booths, navigation lights and beacons, and cable television power supplies. (C)

TYPE OF SERVICE

Alternating current 60 Hz, at nominal voltages of 120, 120/240 or 120/208 volts, single phase, unmetered. Service of other characteristics, where available, may be furnished at the option of the Company.

NET MONTHLY BILL

Computed in accordance with the following charges and based upon calculated energy use determined by the rated capacity of the connected equipment:

1. Base Rate

- | | | |
|---|--------------------|-----|
| (a) For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment | \$0.070656 per kWh | (I) |
| (b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment | \$0.081562 per kWh | (I) |

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

Minimum: \$2.69 per Fixed Load Location per month. (I)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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SERVICE PROVISIONS

- (1) Each separate point of delivery of service shall be considered a Fixed Load Location.
- (2) Only one supply service will be provided to a customer under this Schedule as one Fixed Load Location.
- (3) The customer shall furnish switching equipment satisfactory to the Company.
- (4) The calculated energy use per month shall be determined by the Company taking into consideration the size and operating characteristics of the load.
- (5) The customer shall notify the Company in advance of every change in connected load or operating characteristics, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of any such changes, the Company reserves the right to refuse to serve the Fixed Load thereafter under this Schedule, and shall be entitled to bill the customer retroactively on the basis of the changed load and operating characteristics for the full period such load was connected.

TERM OF SERVICE

One (1) year, terminable thereafter on thirty (30) days written notice by either the customer or the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at nominal primary distribution system voltages of 12,500 volts or 34,500 volts, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed \$0.19033 per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge				
Primary Voltage Service (12.5 or 34.5 kV)	\$	100.00	per month	
(b) Demand Charge				
All kilowatts	\$	7.50	per kW	(I)
(c) Energy Charge				
First 300 kWh/kW	\$	0.051707	per kWh	(I)
Additional kWh	\$	0.043446	per kWh	

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider	(D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause	(C)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric	(N)
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism	

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NET MONTHLY BILL (Contd.)

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

- a. Continuous measurement
 - the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or
- b. Testing
 - the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter as prescribed by the Company's Service Regulations.

- (1) For customers with a most recent twelve month average demand of less than 10,000 kVA, thirty days written notice.
- (2) For customers with a most recent twelve month average demand of 10,000 kVA or greater, written notice twelve months in advance of the desired termination date.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. *In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.*

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at a nominal transmission system voltage of 69,000 volts or higher, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and the customer furnishes and maintains all transformation equipment and appurtenances necessary to utilize the service.

Service is applicable for ultimate use by the customer and is not applicable for standby, supplemental, emergency or resale service.

TYPE OF SERVICE

Alternating current 60 Hz, three phase at Company's standard transmission voltage of 69,000 volts or higher.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate			
(a) Customer Charge	\$ 500.00	per month	
(b) Demand Charge			
Summer			
On Peak kW	\$ 7.29	per kW	(I)
Off Peak kW	\$ 1.11	per kW	
Winter			
On Peak kW	\$ 5.98	per kW	(I)
Off Peak kW	\$ 1.11	per kW	
(c) Energy Charge			
All kWh	\$0.038697	per kWh	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be not less than fifty percent (50%) of the highest demand charge established during the preceding eleven (11) months.

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NET MONTHLY BILL (Contd.)

For purposes of administration of the above charges, the summer is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - all hours Monday through Friday not included above plus all day Saturday and Sunday as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased one and one-half percent (1.5%) for billing purposes.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter by either the customer or the Company as follows:

- (1) Thirty (30) days after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of less than 10,000 kW.
- (2) Twelve (12) months after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of greater than 10,000 kW.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

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**RIDER GSS
GENERATION SUPPORT SERVICE**

APPLICABILITY

Applicable to any general service customer having generation equipment capable of supplying all or a portion of its power requirements for other than emergency purposes and who requests supplemental, maintenance or backup power.

TYPE OF SERVICE

Service will be rendered in accordance with the specifications of the Company's applicable distribution voltage service or transmission voltage service tariff schedules.

NET MONTHLY BILL

The provisions of the applicable distribution service or transmission service tariff schedule and all applicable riders shall apply to Supplemental Power Service, Maintenance Power Service and Backup Power Service except where noted otherwise. The monthly Administrative Charge and the Monthly Reservation Charges as shown shall apply only to Maintenance Power Service and Backup Power Service.

1. Administrative Charge
The Administrative Charge shall be \$50 plus the appropriate Customer Charge.
2. Monthly Distribution Reservation Charge

a.	Rate DS - Secondary Distribution Service	\$2.6893 per kW	(R)
b.	Rate DT - TOU Secondary Distribution Service	\$2.4716 per kW	
c.	Rate DP - Primary Distribution Service	\$2.8819 per kW	(D)
d.	Rate TT - Transmission Service	\$0.0000 per kVA	(R)
3. Monthly Transmission Reservation Charge

a.	Rate DS - Secondary Distribution Service	\$1.3153 per kW	
b.	Rate DT - TOU Secondary Distribution Service	\$1.3097 per kW	(D)
c.	Rate DP - Primary Distribution Service	\$1.8710 per kW	
d.	Rate TT - Transmission Service	\$1.2355 per kVA	(R)
4. Monthly Ancillary Services Reservation Charge

a.	Rate DS, - Secondary Distribution Service	\$0.5240 per kW	
b.	Rate DT - TOU Secondary Distribution Service	\$0.5240 per kW	
c.	Rate DP - Primary Distribution Service	\$0.5240 per kW	
d.	Rate TT - Transmission Service	\$0.4550 per kVA	
5. Supplemental Power Service
The customer shall contract with the Company for the level of demand required for Supplemental Power Service. All Supplemental Power shall be billed under the terms and charges of the Company's applicable full service tariff schedules. All power not specifically identified and contracted by the customer as Maintenance Power or Backup Power shall be deemed to be Supplemental Power.

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NET MONTHLY BILL (Contd.)

6. Maintenance Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Maintenance Power. The contracted level of Maintenance Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Maintenance Power is required. The customer's Maintenance Power requirements for each generating unit must be submitted to the Company at least sixty (60) days prior to the beginning of each calendar year. Within thirty (30) days of such submission, the Company shall respond to the customer either approving the Maintenance Power schedule or requesting that the customer reschedule those Maintenance Power requirements. For each generating unit, the customer may elect Maintenance Power Service for up to thirty (30) days in any twelve month period with no more than two (2) days consecutively during the summer billing periods of June through September and those must be during the Company's off-peak periods. The customer may request an adjustment to the previously agreed upon Maintenance Power schedule up to three weeks prior to the scheduled maintenance dates. The adjusted dates must be within one (1) week of the previously scheduled dates and result in a scheduled outage of the same seasonal and diurnal characteristics as the previously scheduled maintenance outage. The Company shall respond to the customer's request for an adjustment within one (1) week of that request. The Company may cancel a scheduled Maintenance Power period, with reason, at any time with at least seven (7) days notice to the customer prior to the beginning of a scheduled maintenance outage if conditions on the Company's electrical system warrant such a cancellation. Any scheduled Maintenance Power period cancelled by the Company shall be rescheduled subject to the mutual agreement of the Company and the customer.

Billing -

All power supplied under Maintenance Power Service shall be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision of the Company's full service tariff schedules shall be waived; and 2) the demand charge for Generation shall be fifty (50) percent of the applicable full service tariff Generation demand charge prorated by the number of days that Maintenance Power is taken.

7. Backup Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Backup Power. The contracted level of Backup Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Backup Power is required. The customer shall notify the Company by telephone within one-hour of the beginning and end of the outage. Within 48 hours of the end of the outage, the customer shall supply written notice to the Company of the dates and times of the outage with verification that the outage had occurred.

Billing -

All Backup Power will be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision, if any, of the Company's full service tariff schedules is waived; and 2) the demand charge for Generation shall be the applicable full service tariff schedule Generation demand charge as shown in Appendix A prorated by the number of days that Backup Power is taken, except that where some of the customer's load requirement for Backup Power and Supplemental Power is 5 MW or greater and such requirement represents new load for ULH&P subsequent to January 1, 2002, the customer's generation charge for energy and demand shall be based on the provisions of Rate RTP-M, Sheet No. 59.

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NET MONTHLY BILL (Contd.)

8. Monthly Reservation Charges

The Monthly Distribution Reservation Charge, Monthly Transmission Reservation Charge and the Monthly Ancillary Services Charge items shown above shall be based on the greater of the contracted demand for Maintenance Power or Backup Power.

METERING

Recording meters, as specified by the Company, shall be installed where necessary, at the customer's expense. All metering equipment shall remain the property of the Company.

DEFINITIONS

Supplemental Power Service – a service which provides distribution and/or transmission capacity to the customer as well as the energy requirements for use by a customer's facility in addition to the electric power which the customer ordinarily generates on its own.

Maintenance Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer during scheduled outages or interruptions of the customer's own generation.

Backup Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer to replace energy generated by the customer's own generation during an unscheduled outage or other interruption on the part of the customer's own generation.

TERMS AND CONDITIONS

The term of contract shall be for a minimum of five (5) years.

The customer shall be required to enter into a written Service Agreement with the Company which shall specify the type(s) of service required, notification procedures, scheduling, operational requirements, the amount of deviation from the contract demand to provide for unavoidable generation fluctuations resulting from normal mechanical factors and variations outside the control of the customer and the level of demand and energy required.

The customer is required to adhere to the Company's requirements and procedures for interconnection as set forth in the Company's publication, "System Protection Requirements & Guidelines for Connection & Parallel Operation of Non-Utility Generators" which is provided to customers requesting service under this rider.

The cost of any additional facilities associated with providing service under the provisions of this rider shall be borne by the customer.

Changes in contracted demand levels may be requested by the customer once each year at the contract anniversary date. This request shall be made at least thirty (30) days in advance of the contract anniversary date.

The Company may enter into special agreements with customers which may deviate from the provisions of this rider. Such agreements shall address those significant characteristics of service and cost which would influence the need for such an agreement.

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RATE RTP - M
REAL TIME PRICING – MARKET-BASED PRICING

APPLICABILITY

Applicable to all new Customers as of January 1, 2002 having estimated service requirements of 5,000 kilowatts or more and to existing Customers whose service requirements increase by 5,000 kilowatts or more. Where an existing Customer's requirements increase by 5,000 kilowatts or more, that Customer's incremental load will be subject to the provisions of this rate schedule.

PROGRAM DESCRIPTION

Under the RTP-M program, binding Price Quotes will be sent to each Customer on a day-ahead basis. Customers have the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods or adding new load during lower cost pricing periods.

CUSTOMER CHARGE

The following Customer Charges will be assessed:

Secondary Service \$ 15.00 per month
Primary Service \$100.00 per month
Transmission Service..... \$500.00 per month

(I)

PRICE QUOTES

The Company will send to Customer, by 3:00 p.m. each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

The Company may send more than one day ahead Price Quotes for weekends and holidays identified in the Company's tariffs. The Company may revise these prices by 3:00 p.m. the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is the Customer's responsibility to inform the Company of any failure to receive the Price Quotes by 5:00 p.m. the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

$$CC_t = MVG_t \times LAF$$

Where:

LAF = loss adjustment factor
= 1.0530 for Transmission Service
= 1.0800 for Primary Service
= 1.1100 for Distribution Service
MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

Customers will have the option to enter into a price management agreement whereby the Commodity Charge (CC) for a specified time period (Contract Period) will be fixed at as specified level (Contract Price). Company will have the final determination to enter into a Price Management Contract and the term and structure of the pricing arrangement.

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

Secondary Service	\$0.006074 per kW Per Hour	(1)
Primary Service.....	\$0.005559 per kW Per Hour	
Transmission Service	\$0.002015 per kW Per Hour	

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:
Scheduling, System Control & Dispatch
Reactive and Voltage Control
Regulation and Frequency Response
Spinning Reserve
Supplemental Reserve

The applicable hourly Ancillary Services Charge shall be applied on an hour by hour basis.

Charge For Each kW Per Hour:

Secondary Delivery	\$0.000760 per kW Per Hour	(1)
Primary Delivery	\$0.000740 per kW Per Hour	
Transmission Delivery	\$0.000721 per kW Per Hour	

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

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Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

METERING ADJUSTMENTS

The Company may meter at secondary or primary voltage as circumstances warrant. In the case of Primary and Secondary Customers, if the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced by one and one-half percent (1.5%). In the case of Transmission Customers, if the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased by one and one-half percent (1.5%).

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(D)
(C)
(N)

PROGRAM CHARGE

Company will provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$183.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

TERM AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by either the Customer or the Company within thirty (30) days after receipt of written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the Customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such facilities, is established at twenty percent (20%) of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the Customer Charge.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated
No. 2006-00172.

in Case

Issued: May 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowners associations, for the lighting of public streets and roads with Company-owned lighting fixtures.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be installed and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed:

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NET MONTHLY BILL (Contd.)

1. Base Rate

<u>OVERHEAD DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 4.21	(I)
10,000 lumen	250	0.275	1,144	\$ 5.88	(I)
21,000 lumen	400	0.430	1,789	\$ 7.36	
Metal Halide					
14,000 lumen	175	0.193	803	\$ 5.46	
20,500 lumen	250	0.275	1,144	\$ 5.88	(N)
36,000 lumen	400	0.430	1,789	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 6.84	
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.89	(I)
16,000 lumen	150	0.171	711	\$ 7.08	
22,000 lumen	200	0.228	948	\$ 9.16	
27,500 lumen	250	0.275	948	\$ 9.16	(N)
50,000 lumen	400	0.471	1,959	\$10.95	
Decorative Fixtures					
Sodium Vapor					
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74	
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.97	(I)
50,000 lumen (Rectilinear)	400	0.471	1,959	\$11.99	
50,000 lumen (Setback)	400	0.471	1,959	\$19.73	

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

Spans of Secondary Wiring:

For each increment of 50 feet of secondary wiring beyond the first 150 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.52. (I)

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NET MONTHLY BILL (Contd.)

<u>UNDERGROUND DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	\$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 4.21	
10,000 lumen	250	0.292	1,215	\$ 5.88	(I)
21,000 lumen	400	0.460	1,914	\$ 7.36	(D)
Metal Halide					
14,000 lumen	175	0.210	874	\$ 5.46	
20,500 lumen	250	0.292	1,215	\$ 5.88	(N)
36,000 lumen	400	0.460	1,914	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 6.84	
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.89	
16,000 lumen	150	0.171	711	\$ 7.08	(I)
22,000 lumen	200	0.228	948	\$ 9.16	
50,000 lumen	400	0.471	1,959	\$10.95	
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$ 5.73	(I)
7,000 lumen (Holophane)	175	0.210	874	\$ 7.60	
7,000 lumen (Gas Replica)	175	0.210	874	\$19.59	
7,000 lumen (Granville)	175	0.205	853	\$ 5.73	(N)
7,000 lumen (Aspen)	175	0.210	874	\$11.78	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.73	
14,000 lumen (Granville Acorn)	175	0.210	874	\$11.78	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$19.59	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$ 9.88	
9,500 lumen (Holophane)	100	0.128	532	\$10.69	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74	(I)
9,500 lumen (Gas Replica)	100	0.128	532	\$21.04	
9,500 lumen (Aspen)	100	0.128	532	\$12.54	
9,500 lumen (Traditionaire)	100	0.117	487	\$ 9.88	
9,500 lumen (Granville Acorn)	100	0.128	532	\$12.54	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.97	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$11.99	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$19.73	

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NET MONTHLY BILL (Contd.)

<u>POLE CHARGES</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
Pole Description			
Wood			
17 foot (Wood Laminated) (a)	W17	\$ 4.37	
30 foot	W30	\$ 4.31	(I)
35 foot	W35	\$ 4.36	
40 foot	W40	\$ 5.23	
Aluminum			
12 foot (decorative)	A12	\$11.97	
28 foot	A28	\$ 6.89	
28 foot (heavy duty)	A28H	\$ 6.96	(I)
30 foot (anchor base)	A30	\$13.76	
Fiberglass			
17 foot	F17	\$ 4.37	
12 foot (decorative)	F12	\$12.87	(I)
30 foot (bronze)	F30	\$ 8.38	
35 foot (bronze)	F35	\$ 8.60	
Steel			
27 foot (11 gauge)	S27	\$11.31	
27 foot (3 gauge)	S27H	\$17.05	(I)

Spans of Secondary Wiring:

For each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.75. (I)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

(a) Note: New or replacement poles no longer available.

2. Base Fuel Cost (I)
All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.
3. Applicable Riders . The following riders are applicable pursuant to the specific terms contained within each rider: (D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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TERM OF SERVICE

The street lighting units are installed for the life of the unit, and then its terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

Applicable to the supplying of energy for traffic signals or other traffic control lighting on public streets and roads. After April 2, 1990, this tariff schedule shall only be applicable to municipal, county, state and local governments. In the application of this tariff, each point of delivery shall be considered as a separate customer.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

- (a) Where the Company supplies energy only, all kilowatt-hours shall be billed at \$0.035196 per kilowatt-hour; **(I)**
- (b) Where the Company supplies energy from a separately metered source and the Company has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.020695 per kilowatt-hour. **(I)**
- (c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.055892 per kilowatt-hour. **(I)**

2. Applicable Riders The following riders are applicable pursuant to the specific terms contained within each rider: **(D)**
 Sheet No. 80, Rider FAC, Fuel Adjustment Clause **(C)**
 Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric **(N)**
 Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on thirty (30) days written notice by either customer or Company.

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Newport, Kentucky 41071

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GENERAL CONDITIONS

- (1) Billing will be based on the calculated kilowatt-hour consumption taking into consideration the size and characteristics of the load.
- (2) Where the average monthly usage is less than 110 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing the electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before the work is carried out.
- (3) The location of each point of delivery shall be mutually agreed upon by the Company and the customer. In overhead distribution areas, the point of delivery shall be within 150 feet of existing secondary wiring. In underground distribution areas, the point of delivery shall be at an existing secondary wiring service point.
- (4) If the customer requires a point of delivery which requires the extension, relocation, or rearrangement of Company's distribution system, the customer shall pay the Company, in addition to the monthly charge, the cost of such extension, relocation, or rearrangement on the basis of time and material plus overhead charges unless, in the judgment of the Company, no payment shall be made. An estimate of the cost will be submitted for approval before work is carried out.

LIMITED MAINTENANCE

Limited maintenance for traffic signals is defined as cleaning and replacing lamps, and repairing connections in wiring which are of a minor nature. Limited maintenance for traffic controllers is defined as cleaning, oiling, adjusting and replacing contacts which are provided by customer, time-setting when requested, and minor repairs to defective wiring.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE

APPLICABILITY

Applicable for electric energy usage only for any street or outdoor area lighting system (System), operating during the dusk to dawn time period, on private or public property and owned by the customer or the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service under this tariff schedule shall require a written agreement between the customer and the Company specifying the calculated lighting kilowatt-hours. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's and Company's Installations.

CONTRACT FOR SERVICE

The customer will enter into an Agreement for Electric Service for Outdoor Lighting for a minimum of one year and renewable annually, automatically, thereafter.

The Company will provide unmetered electric service based on the calculated annual energy usage for each luminaire's lamp wattage plus ballast usage (impact wattage). The System kilowatt-hour usage shall be determined by the number of lamps and other System particulars as defined in the written agreement between the customer and Company. The monthly kilowatt-hour amount will be billed at the rate contained in the NET MONTHLY BILL section below.

LIGHTING HOURS

The unmetered lighting System will be operated automatically by either individual photoelectric controllers or System controller(s) set to operate on either dusk-to-dawn lighting levels or on pre-set timers for any hours between dusk-to-dawn. The hours of operation will be agreed upon between the customer and the Company and set out in the Agreement. Dusk-to-dawn lighting typically turns on and off approximately one-half (1/2) hour after sunset and one-half (1/2) hour before sunrise which is approximately 4160 hours annually.

NET MONTHLY BILL

Computed in accordance with the following charge:

- | | | | |
|----|--|--------------------|-------------------|
| 1. | Base Rate
All kWh | \$0.034621 per kWh | (D) |
| 2. | Applicable Riders
The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism | | (D)
(C)
(N) |

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill which is the Net Monthly Bill plus 5%, is due and payable.

OWNERSHIP OF SERVICE LINES

Company will provide, install, own, operate and maintain the necessary facilities for furnishing electric service to the System defined in the agreement. If the customer requires the installation of a System at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

The Company shall erect the service lines necessary to supply electric energy to the System within the limits of the public streets and highways or on private property as mutually agreed upon by the Company and the customer. The customer shall assist the Company, if necessary, in obtaining adequate written easements covering permission to install and maintain any service lines required to serve the System.

The Company shall not be required to pay for obtaining permission to trim or re-trim trees where such trees interfere with lighting output or with service lines or wires of the Company used for supplying electric energy to the System. The customer shall assist the Company, if necessary, in obtaining permission to trim trees where the Company is unable to obtain such permission through its own best efforts.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

Applicable for outdoor lighting services on private property with Company owned fixtures in the Company's entire service area where secondary distribution lines are adjacent to the premises to be served. Not applicable for lighting public roadways which are dedicated, or anticipated to be dedicated, except to meet the occasional singular need of a customer who has obtained written approval from the proper governmental authority.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-ways provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a maximum mast arm of 10 feet for overhead units will be assessed:

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NET MONTHLY BILL (Contd.)

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Standard Fixtures (Cobra Head)					
Mercury Vapor					
7,000 lumen (Open Refractor)	175	0.205	853	\$ 6.88	
7,000 lumen	175	0.210	874	\$ 9.24	(I)
10,000 lumen	250	0.292	1,215	\$10.39	
21,000 lumen	400	0.460	1,914	\$12.64	
Metal Halide					
14,000 lumen	175	0.210	874	\$ 9.24	
20,500 lumen	250	0.307	1,215	\$10.39	(N)
36,000 lumen	400	0.460	1,914	\$12.64	
Sodium Vapor					
9,500 lumen (Open Refractor)	100	0.117	487	\$ 6.57	
9,500 lumen	100	0.117	487	\$ 8.85	(I)
16,000 lumen	150	0.171	711	\$ 9.66	
22,000 lumen	200	0.228	948	\$10.36	
27,500 lumen	250	0.228	948	\$10.36	(N)
50,000 lumen	400	0.471	1,959	\$10.38	
Decorative Fixtures (a)					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$11.45	
7,000 lumen (Holophane)	175	0.210	874	\$15.20	
7,000 lumen (Gas Replica)	175	0.210	874	\$39.18	(I)
7,000 lumen (Aspen)	175	0.210	874	\$23.57	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$11.45	
14,000 lumen (Granville Acorn)	175	0.210	874	\$23.57	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$39.18	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$19.75	
9,500 lumen (Holophane)	100	0.128	532	\$21.39	
9,500 lumen (Rectilinear)	100	0.117	487	\$17.48	(I)
9,500 lumen (Gas Replica)	100	0.128	532	\$42.08	
9,500 lumen (Aspen)	100	0.128	532	\$25.09	
9,500 lumen (Traditionaire)	100	0.117	487	\$19.75	
9,500 lumen (Granville Acorn)	100	0.128	532	\$25.09	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$19.94	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$23.98	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$39.46	

(a) When requesting installation of a decorative unit, the customer may elect to make an additional contribution to obtain the monthly rate per unit charge for the same size standard (cobra head) outdoor lighting fixture.

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Issued: May 31, 2006

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
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NET MONTHLY BILL (Contd.)

B. Flood lighting units served in overhead distribution areas (FL):

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, will be assessed:

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Mercury Vapor 21,000 lumen	400	0.460	1,914	\$12.65	(D)
Metal Halide 20,500 lumen	250	0.307	1,215	\$10.39	(N)
36,000 lumen	400	0.460	1,914	\$12.65	
Sodium Vapor 22,000 lumen	200	0.246	1,023	\$10.13	
30,000 lumen	250	0.312	1,023	\$10.13	(N)
50,000 lumen	400	0.480	1,997	\$11.11	

Additional facilities, if needed will be billed at the time of installation.

2. Base Fuel Cost (I)
All kilowatt-hour shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.
3. Applicable Riders (D)
The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.
2. If the customer requires the extension, relocation or rearrangement of the Company's system, the customer will pay, in addition to the monthly charge, the Company on a time and materials basis, plus overhead charges, for such extension, relocation or rearrangement unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for customer approval before work is carried out.

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GENERAL CONDITIONS (Contd.)

3. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
4. Installation of lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
5. The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these light units for such reason.
6. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

TERM OF SERVICE

Three (3) years for a new and/or succeeding customer until the initial period is fulfilled. The service is terminable thereafter on ten (10) days written notice by the customer or the Company.

At the Company's option, a longer contract may be required for large installations.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations, currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE NSU

**STREET LIGHTING SERVICE
NON-STANDARD UNITS**

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, hereinafter referred to as customer for the lighting of public streets and roads with existing Company and Customer owned lighting fixtures. This service is not available for units installed after January 1, 1985.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps maintained by the Company within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed.

1. Base Rate

A. Company owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
1. Boulevard units served underground					
a. 2,500 lumen Incandescent - Series	148	0.148	616	\$ 7.84	
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	\$ 5.46	(M)
2. Holophane Decorative fixture on 17 foot fiberglass pole served underground with direct buried cable					
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	\$14.07	

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NET MONTHLY BILL (Contd.)

The cable span charge of \$0.75 per each increment of 25 feet of secondary wiring shall be added to the Rate/unit charge for each increment of secondary wiring beyond the first 25 feet from the pole base. **(I)**

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
3. Street light units served overhead distribution				
a. 2,500 lumen Incandescent	189	0.189	786	\$ 5.40
b. 2,500 lumen Mercury Vapor	100	0.109	453	\$ 5.69
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	\$ 6.63

B. Customer owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
1. Steel boulevard units served underground with limited maintenance by Company				
a. 2,500 lumen Incandescent – Series	148	0.148	616	\$ 4.12
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	\$ 5.23

2. Base Fuel Cost **(I)**
All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.

3. Applicable Riders **(D)**
The following riders are applicable pursuant to the specific terms contained within each rider: **(C)**
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism **(N)**

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 1 or 3 under General Conditions.

GENERAL CONDITIONS

- (1) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by, and at the expense of, the Company.

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GENERAL CONDITIONS (Contd.)

In case of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (3) When a Company owned street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.
- (4) When a customer owned lighting unit becomes inoperative, the cost of repair or replacement of the unit will be at the customer's expense. The replacement unit shall be an approved Company fixture.
- (5) Limited maintenance by the Company includes only fixture cleaning, relamping, and glassware and photo cell replacement.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by Sandra P. Meyer, President

Effective: July 1, 2006

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

Applicable to service for outdoor lighting on private property with Company-owned lighting fixtures in the Company's entire territory where secondary distribution lines are adjacent to the premise to be served. Not applicable to service for lighting of dedicated or undedicated public thoroughfares.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-way provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

- 1. Base Rate
 - A. Private outdoor lighting units:

The following monthly charge will be assessed for existing facilities, but this unit will not be available to any new customers after May 15, 1973:

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
2,500 lumen Mercury, Open Refractor.....	100	0.115	478	\$ 6.71	(D)
2,500 lumen Mercury, Enclosed Refractor.....	100	0.115	478	\$ 9.53	

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NET MONTHLY BILL (Contd.)

B. Outdoor lighting units served in underground residential distribution areas:

The following monthly charge will be assessed for existing fixtures which include lamp and luminaire, controlled automatically, with an underground service wire not to exceed 35 feet from the service point, but these units will not be available to new customers after May 5, 1992:

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
7,000 lumens Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	\$12.59	
7,000 lumen Mercury, Mounted on a 17-foot Wood Laminated Pole (a)	175	0.205	853	\$12.59	(I)
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole	175	0.205	853	\$11.51	
9,500 lumen Sodium Vapor, TC 100 R.	100	0.117	487	\$10.04	

(a) Note: New or replacement poles are not available.

C. Flood lighting units served in overhead distribution areas:

The following monthly charge will be assessed for each existing fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a span of wire not to exceed 120 feet, but these units will not be available after May 5, 1992:

	<u>Lamp Watt</u>	<u>kW/Fixture</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
52,000 lumen Mercury (35-foot Wood Pole) . .	1,000	1.102	4,584	\$18.94	
52,000 lumen Mercury (50-foot Wood Pole) . .	1,000	1.102	4,584	\$22.48	(I)
50,000 lumen Sodium Vapor	400	0.471	1,959	\$15.56	

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider: (D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

Three (3) years, terminable thereafter on ten (10) days written notice by either customer or Company.

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GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.
2. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
3. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
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RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowner's associations for the lighting of public streets and roads when the total investment and installation costs of the fixtures are borne by the customer. The fixture shall be a Company approved unit used in overhead and underground distribution areas.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be owned by the customer but may be installed by customer or Company with limited maintenance performed by the Company. Limited maintenance includes only fixture cleaning, relamping, and glassware and photo cell replacement. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

1. Base Rate	Lamp Watts	kW/Unit	Annual kWh	Rate/Unit	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$2.57	
10,000 lumen	250	0.275	1,144	\$3.04	(D)
21,000 lumen	400	0.430	1,789	\$3.83	
Metal Halide					
14,000 lumen	175	0.193	803	\$2.57	
20,500 lumen	250	0.275	1,144	\$3.04	(N)
36,000 lumen	400	0.430	1,789	\$3.83	

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NET MONTHLY BILL (Contd.)

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$3.96	(I)
16,000 lumen	150	0.171	711	\$4.19	
22,000 lumen	200	0.228	948	\$4.26	
27,500 lumen	250	0.228	948	\$4.26	(N)
50,000 lumen	400	0.471	1,959	\$4.45	
Decorative Fixture					
Mercury Vapor					
7,000 lumen (Holophane)	175	0.210	874	\$3.57	
7,000 lumen (Town & Country)	175	0.205	853	\$3.56	
7,000 lumen (Gas Replica)	175	0.210	874	\$3.57	(C)
7,000 lumen (Aspen)	175	0.210	874	\$3.57	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$3.56	(N)
14,000 lumen (Granville Acorn)	175	0.210	874	\$3.57	
14,000 lumen (Gas Replica)	175	0.210	874	\$3.57	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$3.97	(I)
9,500 lumen (Traditionaire)	100	0.117	487	\$3.97	(N)
9,500 lumen (Granville Acorn)	100	0.128	532	\$4.10	
9,500 lumen (Rectilinear)	100	0.117	487	\$3.97	
9,500 lumen (Aspen)	100	0.128	532	\$4.10	(I)
9,500 lumen (Holophane)	100	0.128	532	\$4.10	
9,500 lumen (Gas Replica)	100	0.128	532	\$4.10	(C)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$4.49	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$4.74	(I)

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

<u>Pole Description</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
Wood			
30 foot	W30	\$4.29	
35 foot	W35	\$4.34	(I)
40 foot	W40	\$5.21	

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NET MONTHLY BILL (Contd.)

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be \$0.034561 per kilowatt-hour which includes the base fuel cost rate stated below. The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out.

(D)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.

(M)

3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider:

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(D)

(C)

(N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.

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GENERAL CONDITIONS (Contd.)

- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced by the Company, the ordering Authority shall pay the Company the cost agreed upon under a separate contract.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a customer owned lighting unit becomes inoperative the cost of repair, replacement or removal of the unit will be at the customer's expense.
- (7) All lights installed on an overhead distribution system will be installed by Company under a separate contract with customer.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof and incorporated homeowners associations for the lighting of public streets and roads with Company lighting fixtures in underground distribution areas, where the customer elects to make a contribution for the installation of the fixture, mounting, pole and secondary wiring to obtain the rate/unit for the same size standard fixture (cobra head) in an overhead distribution area.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

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Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
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NET MONTHLY BILL (Contd.)

1. Base Rate

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
<u>Decorative Fixtures</u>					
<u>Mercury Vapor</u>					
7,000 lumen (Town & Country)	175	0.205	853	\$ 5.46	
7,000 lumen (Holophane)	175	0.210	874	\$ 5.46	(D)
7,000 lumen (Gas Replica)	175	0.210	874	\$ 5.46	
7,000 lumen (Aspen)	175	0.210	874	\$ 5.46	
<u>Metal Halide</u>					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.46	
14,000 lumen (Granville Acorn)	175	0.210	874	\$ 5.46	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$ 5.46	
<u>Sodium Vapor</u>					
9,500 lumen (Town & Country)	100	0.117	487	\$ 6.84	(D)
9,500 lumen (Holophane)	100	0.128	532	\$ 6.84	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 6.84	
9,500 lumen (Gas Replica)	100	0.128	532	\$ 6.84	
9,500 lumen (Aspen)	100	0.128	532	\$ 6.84	(D)
9,500 lumen (Traditionaire)	100	0.117	487	\$ 6.84	
9,500 lumen (Granville Acorn)	100	0.128	532	\$ 6.84	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.16	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$10.95	(D)
50,000 lumen (Setback)	400	0.471	1,959	\$10.95	(D)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (D)

3. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

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GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.
- (7) The contribution only provides for replacement of these facilities due to occasional damage or premature malfunction. It does not cover replacement at end of life.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Schedule L-1
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Witness Responsible: J. R. Bailey

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(D)

RIDER SES

STANDBY OR EMERGENCY SERVICE

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RIDER IS
INTERRUPTIBLE SERVICE RIDER

(D)

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Witness Responsible: J. R. Bailey

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RIDER TES

(D)

THERMAL ENERGY STORAGE RIDER

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RIDER PLM

PEAK LOAD MANAGEMENT PROGRAM

AVAILABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP, Rate TT, Special Contracts or Rate RTP. Customers whose billing period maximum 15-minute demands are less than 500 kilowatts will be eligible to participate in the Program by paying the incremental cost of installing the required metering. Customers must enter into a service agreement.

PROGRAM DESCRIPTION

The PLM Program is voluntary and offers Customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. Customer and Company will enter into a service agreement under this Rider which will specify the terms and conditions under which Customer agrees to reduce usage.

SERVICE OPTIONS

Customers may elect to participate in a PLM service option by either choosing to:

- a) reduce demand to a specified amount,
- b) reduce energy usage below their baseline, or
- c) sell the output of any Customer owned self generation to Company.

Upon approval of Company, Customers will have the choice to aggregate electric loads at multiple sites under the PLM Program.

The specific hours for the PLM service option will be mutually agreed upon between Customer and Company and specified in the service agreement.

Buy-through energy is the incremental energy the Customer has decided to purchase in lieu of managing their electric demand or energy usage as agreed upon between the Customer and the Company.

Demand Reduction Option

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to limit their demand to a Firm Load Level. Customer and Company will mutually agree on the amount of demand reduction, the conditions under which a request for reduction can be issued and the mechanism to be used to verify compliance. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of the bill credit will take into consideration the projected avoided cost of firm capacity and energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

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Demand Reduction Option (Contd.)

Company will provide buy-through energy, if available, to be billed based on price quotes (Buy-through Quotes) provided to Customer. Such Buy-through Quotes will include a) applicable transmission and distribution charges, generation charges based on out-of-pocket cost plus 10% and all applicable Riders and taxes included in the Standard Rate. Customer will be billed for all usage above the Firm Load Level at such Buy-through Quotes. If buy-through energy is not available and Customer fails to reduce its usage to the Firm Load Level, Customer will be billed for all usage above the Firm Load Level at \$10.00 per kilowatt-hour.

Energy Reduction Below Baseline

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to reduce energy usage below their Baseline Level. Reductions below the Baseline Level during such periods will be credited at the Energy Buy-Back Price Quotes (Price Quotes) provided to Customer by Company. Customer and Company will mutually agree upon a) the conditions under which such Price Quotes will be in effect, b) the time period by which Company will provide such Price Quotes to Customer and c) the time duration such Price Quotes will be in effect. The determination of such Price Quotes will take into consideration the projected avoided cost of energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

Customer will agree to provide Company with an estimate of the amount of load reduction to be provided during such periods. The Baseline Level must be mutually agreeable to both the Customer and the Company as representing the Customer's normal usage level during the time period that a notification could be given.

Generation Sell Back

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option, agree upon notification by Company, to sell the output of their electric generator to Company. Customer and Company will mutually agree on the amount of generation to be sold back and the conditions under which a request to run the generator can be issued. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of bill credit will be take into consideration projected avoided cost of firm capacity and energy and program administrative costs.

Suitable metering will be installed either by Customer or Company to measure the energy output of the Generator. Customer will provide suitable access and a suitable location for the installation of such metering equipment.

During such time period that the electrical output of the generator is being sold back to Company, the meter readings that are normally used to bill the Customer shall be adjusted by adding back the measured output of the generator.

BILLING UNDER STANDARD RATES

Customers served under Rates DS, Rate DT, Rate DP or Rate TT will be billed for all demand and energy used under the terms and conditions and at the rates and charges of the applicable Standard Rate. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement.

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PROGRAM EQUIPMENT

Company will provide Internet based communication software to be used to provide Customer with the Buy-through and Price Quotes. Customer will be responsible for providing its own Internet access.

Customer may purchase from either Company or other third-party suppliers any other necessary equipment or software packages to facilitate participation in this PLM Program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this PLM Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

CUSTOMER GENERATION

Customers electing to operate a Generator in parallel with Company's electric system will operate the Generator in such a manner as not to cause undue fluctuations in voltage, harmonic disturbances, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Company will grant such permission only in cases where it is satisfied that such parallel operation is practicable and without interference or probability of interference with the ability of Company to render adequate service to its other Customers.

TERM AND CONDITIONS

Except as provided in this Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates or Rate RTP will apply.

Any interruptions or reductions in electric service caused by outages of Company's facilities, other than as provided under the PLM Program, will not be deemed a Curtailment Period under this PLM Program. Agreements under the PLM Program will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable electric tariff and its applicable rate schedules. It will be Customer's responsibility to monitor and control their demand and energy usage before, during, and after a notice period under this Rider.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission

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**RIDER EOP-RTP
ENERGY CALL OPTION PROGRAM**

(D)

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**RIDER FAC
FUEL ADJUSTMENT CLAUSE**

(C)

APPLICABLE

In all territory service.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or (decreased) at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\text{Fuel Cost Adjustment} = \frac{F(m)}{S(m)} - \$0.021619 \text{ per kWh}$$

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

- (2) Fuel costs (F) shall be the cost of:

- (a) Fossil fuel consumed in the Company's plants plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
- (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) of this subsection, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus
- (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the Company to substitute for its own higher cost energy, and less
- (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
- (e) All fuel costs shall be based on a weighted-average inventory costing. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of fuel itself and necessary charges for transportation of fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.

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AVAILABILITY OF SERVICE (Contd.)

(f) As used herein, the term "forced outages" means all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection, or acts of the public enemy, then the Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.

(3) Sales (S) shall be determined in kilowatt-hours as follows:

Add:

- (a) net generation
- (b) purchases
- (c) interchange in

Subtract:

- (d) inter-system sales including economy energy and other energy sold on an economic dispatch basis.
- (e) total system losses

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**RIDER TCRM
TRANSMISSION COST RECOVERY MECHANISM**

(N)

APPLICABILITY

Applicable to all jurisdictional retail customers in the Company's electric service area.

Whenever the average cost of transmission charged to the Company by its Regional Transmission Organization is greater or less than the average cost of this transmission included per kilowatt-hour of sales in the base period, there shall be added to or subtracted from the net monthly bill to which this Rider is applicable, an amount determined by multiplying the number of kilowatt-hours consumed by the customer during the period for which the bill is rendered by a Rider TCRM adjustment.

1. The charge per kilowatt-hour delivered under the rate schedule to which this adjustment is applicable shall be increased or decreased during each year in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{T(y)}{S(y)} - \frac{T(b)}{S(b)}$$

where:

- a. "T" is the transmission related Midwest ISO Costs billed to Duke Energy Kentucky.
 - b. "S" is the kilowatt-hour sales.
 - c. "y" is the current year.
 - d. "b" is the base year.
2. Eligible transmission costs (T) shall be the most recent actual annual cost of:
 - a. Retail share of charges billed to Duke Energy Kentucky for Schedules 10, 10-FERC, 16, 17, and 24 of the Midwest ISO's Transmission Energy Market Tariff.
 - b. Retail share of net charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff.
 - c. Retail share of all other charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff excluding Day-Ahead and Real-Time energy costs, Revenue Sufficiency Guarantee Make-whole Payments, Virtual transactions, and Disputed amounts.
 - d. Eligible transmission expenses, T(b), included in the base year are \$12,047,693.
 - e. Sales, S(b), for the base year, the twelve months ending December 31, 2007, are 4,006,495,000 kWh.

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RIDER BDP

(N)

BACKUP DELIVERY POINT CAPACITY RIDER

BACKUP DELIVERY POINT (TRANSMISSION/DISTRIBUTION) CAPACITY

The Company will normally supply service to one premise at one standard voltage at one delivery point and through one meter to a Non-Residential Customer in accordance with the provisions of the applicable rate schedule and the Electric Service Regulations. Upon customer request, Company will make available to a Non-Residential Customer additional delivery points in accordance with the rates, terms and conditions of this Rider BDP.

NET MONTHLY BILL

1. Connection Fee
The Connection Fee applies only if an additional metering point is required and will be based on customer's most applicable rate schedule.
2. Monthly charges will be based on the unbundled distribution and/or transmission rates of the customer's most applicable rate schedule and the contracted amount of backup delivery point capacity.
3. The Customer shall also be responsible for the acceleration of costs, if any, that would not have otherwise been incurred by Company absent such request for additional delivery points. The terms of payment may be made initially or over a pre-determined term mutually agreeable to Company and Customers that shall not exceed the minimum term. In each request for service under this Rider, Company engineers will conduct a thorough review of the customer's request and the circuits affected by the request. The customer's capacity needs will be weighed against the capacity available on the circuit, anticipated load growth on the circuit, and any future construction plans that may be advanced by the request.

SPECIAL TERMS AND CONDITIONS

The Company will provide such backup delivery point capacity under the following conditions:

1. Company reserves the right to refuse backup delivery capacity to any Customer where such backup delivery service is reasonably estimated by Company to impede or impair current or future electric transmission or distribution service.
2. The amount of backup delivery point capacity shall be mutually agreed to by the Company and the Customer because the availability of specific electric system facilities to meet a Customer's request is unique to each service location.
3. System electrical configurations based on Customer's initial delivery point will determine whether distribution and/or transmission charges apply to Customer's backup delivery point.
4. In the event that directly assigned facilities are necessary to attach Customer's backup delivery point to the joint transmission or distribution systems, Company shall install such facilities and bill Customer the Company's full costs for such facilities and installations.

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SPECIAL TERMS AND CONDITIONS (Contd.)

5. Energy supplies via any backup delivery point established under this Rider BDP will be supplied under the applicable rate tariff and/or special contract.
6. Company and the Customer shall enter into a service agreement with a minimum term of five years. This service agreement shall contain the specific terms and conditions under which Customer shall take service under this Rider BDP.
7. Company does not guarantee uninterrupted service under this rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RIDER GP

GREEN POWER RIDER

APPLICABILITY

Applicable to all customers who wish to purchase "Green Power" from the Company-sponsored "Green Power" program. This rider will be available until December 31, 2008. (D)
(C)

DEFINITION OF GREEN POWER

Green Power includes energy generated from renewable and/or environmentally friendly sources, including: (C)

Wind, Solar Photovoltaic, Biomass Co-firing of Agricultural Crops and All energy crops, Hydro – as certified by the Low Impact Hydro Institute, Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-firing of All Woody Waste including mill residue, but excluding painted or treated lumber. (D)
(N)

Green Power includes the purchase of Renewable Energy Certificates and/or Carbon Credits from the sources described above.

GREEN POWER RATE

1. Rate RS: (N)

For all Green Power kWh, including carbon credits, purchased per month \$0.025 per kWh

Minimum kWh purchase is 200 kWh. Additional purchases to be made in 100 kWh block increments.

2. All other rates:

Individually calculated Green Power Rate per service agreement which may also include carbon credits.

NET MONTHLY BILL

Customers who participate under this Rider will be billed for electric service under all standard applicable tariffs including all applicable riders. (C)
(D)

The purchase of Green Power, under this rider, will be billed at the applicable Green Power Rate times the amount of Green Power kWh the customer has agreed to purchase per month. The customer's monthly bill will consist of the sum of all kWh billed at the applicable rate tariffs, including all applicable riders, and the agreed to Green Power kWh blocks billed at the applicable Green Power Rate. (N)

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TERMS AND CONDITIONS

1. The customer shall enter into a service agreement with Company that shall specify the amount in kWh blocks and price of Green Power to be purchased monthly. Customer shall give Company thirty (30) days notice prior to cancellation of participation in this rider. (D)
2. Funds from the Green Power Rate will be used to purchase Renewable Energy Certificates and/or carbon credits from renewable and environmentally friendly sources as described in the DEFINITION OF GREEN POWER section and for customer education, marketing, and costs of the Green Power Program.
3. Renewable Energy Certificate ("REC") shall mean tradable units that represent the commodity formed by unbundling the environmental attributes of a unit of renewable or environmentally friendly energy from the underlying electricity. One REC would be equivalent to the environmental attributes of one MWH of electricity from a renewable or environmentally friendly generation source.
4. Company may transfer RECs or Carbon Credits at the prevailing wholesale market prices to and from third parties, including affiliated Companies. (C)
5. Company reserves the right to terminate the Rider or revise the pricing or minimum purchase amount of the Rider after giving 60 days notice.
6. Carbon Credit shall mean tradable units that represent the reduction of the release of a greenhouse gas in the equivalent of one ton CO₂.

Company may obtain carbon credits from purchased power, company owned generation, or purchased with funds collected from this rider.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations, as filed with the Kentucky Public Service Commission.

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RIDER NM
NET METERING RIDER

AVAILABILITY

Net Metering is provided upon request and on a first-come, first-served basis. Net Metering is available to customers with a capacity of 15 kW or less. At its sole discretion, Company may provide Net Metering to other customers on a case-by-case basis. The total nameplate rating of all customer-generators under net metering is limited to one-percent (1%) of the Company's total peak system load. (C)

DEFINITION

"Net Metering" means measuring the difference in an applicable billing period between the amount of electricity supplied by the Company to a customer who generates electricity and the amount of electricity generated by such customer-generator that is delivered to Company.

BILLING

The measurement of net electricity supplied by the Company and delivered to the Company shall be calculated in the following manner. The Company shall measure the difference between the amount of electricity delivered by the Company to the customer and the amount of electricity generated by the customer and delivered to the Company during the billing period, in accordance with normal metering practices and using a bi-directional meter where feasible. If the kWh delivered by the Company to the customer exceeds the kWh delivered by the customer to the Company during the billing period, the customer shall be billed for the kWh difference. If the kWh generated by the customer and delivered to the Company exceeds the kWh supplied by the Company to the customer during the billing period, the customer shall be credited in the next billing cycle for the kWh difference. Any unused credit when the customer closes his account will be granted to the Company.

Bill charges and credits will be in accordance with the same standard tariff that would apply if the customer were not a customer-generator. If time-of-use metering is used, the electricity fed back to the electric grid by the customer shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-use billing agreement currently in place.

METERING:

The customer agrees to allow the Company to install, at the customer's expense, a single, bi-directional meter, for billing purposes, between the Company's system and the customer. If any additional meter, meters or distribution upgrades are needed to monitor the flow in each direction, including metering for time-of-use, this equipment shall be installed at the customer's expense.

TERMS AND CONDITIONS

In order to be eligible for Net Metering, the customer's generator must meet the following requirements:

- a. Use solar power;
- b. The generation equipment must be located on the customer's premises and owned by the customer;
- c. The generator must operate in parallel with the Company's distribution facilities;

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with dated in Case No. 2006-00172.

Issued: May 31, 2006

Issued by Sandra P. Meyer, President

Effective: July 1, 2006

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1697-A Monmouth Street
Newport, Kentucky 41071

TERMS AND CONDITIONS (Contd.)

- d. The customer's generation must be intended primarily to offset part or all of the customer's requirements for electricity; and
- e. The name plate rating of the customer's generator must not exceed 15 kW;
- f. The customer must sign an interconnection agreement with the Company, a sample of which is included with this tariff schedule as Appendix A.

A participating customer will install, at the customer's expense, all control and protective equipment required to ensure safe and reliable interconnection with the Company's electrical system. The Company shall at all times have immediate access to the customer's metering, control and protective equipment. The net metering system used by a customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the American National Standards Institute, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories, Inc. A customer's electric generating equipment that meets the requirements of this tariff can be transferred to another owner or installed at another location, provided that the customer notifies the Company and the Company verifies that the new location meets the tariff requirements.

The customer shall reimburse the Company for all interconnection costs that the Company reasonably incurs.

The customer-generator must provide a voltage wave shape that is a 60 Hertz sine wave that is clear, free from distortion, readable and otherwise compatible with the Company's equipment. The voltage amplitude must be compatible with the service voltage delivered by the Company. Any characteristic of the customer-generator that degrades the quality of service provided to other Company customers will not be permitted.

The customer agrees that the Company shall not be liable for any damage to, or breakdown of, the customer's equipment operated in parallel with the Company's electric system.

The customer shall agree to release, indemnify, and hold harmless the Company from any and all claims for injury to persons or damage to property due to or in any way connected with the operation of the customer's said generators.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and the Company's General Terms and Conditions, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with dated in Case No. 2006-00172.

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KY.P.S.C. Electric No. 1
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Appendix A
Page 1 of 1

INTERCONNECTION AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF PHOTOVOLTAIC EQUIPMENT 15 kW OR SMALLER

This Interconnection Agreement is made and entered into this _____ day of _____, 20____, by and between DUKE ENERGY KENTUCKY ("Company"), and _____ ("Customer").

Customer is installing or has installed photovoltaic equipment including an inverter used to interconnect and operate in parallel with the Company's system, and described as follows:

Location: _____

Inverter Power Rating: _____

Inverter Manufacturer and Model Number: _____

Description of electrical installation of inverter and associated electrical equipment:

As shown on a single line diagram attached as "Exhibit A"

Or

Described as follows: _____

Requirement for Customer owned utility-interface disconnect switch:

Not required

Required. Must be in a location immediately accessible to Company at all times.

Customer agrees that the installation has been designed and installed to meet the requirements of IEEE Standard 1547-2003, "Standard for Interconnecting Distributed Resources with Electric Power Systems" and all applicable requirements of the National Electrical Code and local building codes.

Customer agrees that the inverter has been certified by Underwriters Laboratories (UL) as having satisfied the testing requirements of UL Standard 1741, "Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems."

Company agrees to allow Customer to interconnect the inverter and operate it in parallel with the Company's system.

Customer's use of the inverter and associated electrical equipment is subject to the Company's ELECTRIC SERVICE REGULATIONS.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first above written.

DUKE ENERGY KENTUCKY

Customer

By: _____

By: _____

Title: _____

Title: _____

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KY.P.S.C. Electric No. 1
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CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Section 1, Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Electric Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for electricity used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).
- E. Where electric service was disconnected at the pole because the Company was unable to gain access to the meter, the reconnection charge shall be sixty-five dollars (\$65.00). If the gas service is also reconnected the charge shall be ninety dollars (\$90.00). (N)
- F. If the Company receives notice after 12:30 p.m. of a customer's desire for same day reinstatement of service and if the reconnection cannot be performed during normal business hours, the after hour reconnection charge for connection at the meter shall be fifty dollars (\$50.00). The after hour charge for reconnection at the pole shall be ninety dollars (\$90.00). (N)
- G. If a Company employee, whose original purpose was to disconnect the service, has provided the customer a means to avoid disconnection, service which otherwise would have been disconnected shall remain intact, and no reconnection charge shall be assessed. However, a collection charge of fifteen dollars (\$15.00) may be assessed. (N)

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated _____ in Case No. 2006-00172.

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Effective: July 1, 2006

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Duke Energy Kentucky
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Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 93
Cancels and Supersedes
Original Sheet No. 93
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**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-100 kW OR LESS**

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

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Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
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Original Sheet No. 93
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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

Purchase Rate shall be \$0.03078/kWh for all kilowatt-hours delivered. (I)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

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1697-A Monmouth Street
Newport, Kentucky 41071

**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-GREATER THAN 100 kW**

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

The Purchase Rate for all kilowatt-hours delivered shall be the locational marginal price for power purchased through the Midwest ISO day-ahead energy market, inclusive of the energy, congestion and losses charges, delivered to the Duke Energy Kentucky commercial price node. (C)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

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RATE RTP REAL TIME PRICING PROGRAM

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis through December 31, 2008. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (C)

PROGRAM DESCRIPTION

The RTP Program is voluntary and offers Customers the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods and adding new load during lower cost pricing periods or to learn about market pricing. Binding Price Quotes will be sent to each Customer on a day-ahead basis. The program is intended to be bill neutral to each Customer with respect to their historical usage through the use of a Customer Baseline Load (CBL) and the Company's Standard Offer Rates.

CUSTOMER BASELINE LOAD

The CBL is one complete year of Customer hourly load data that represents the electricity consumption pattern and level of the Customer's operation under the Standard Rate Schedule. The CBL is the basis for achieving bill neutrality for Customers billed under this Rate RTP, and must be mutually agreeable to both the Customer and the Company as representing the Customer's usage pattern under the Standard Rate Schedule (non-RTP). In the event that the Customer's electricity consumption pattern differs significantly from the established CBL, the Company may renegotiate the CBL with the Customer. Agreement on the CBL is a requirement for participation in the RTP Program.

RTP BILLING

Customers participating in the RTP Program will be billed monthly based on the following calculation:

$$\text{RTP Bill} = \text{BC} + \text{PC} + \sum_{t=1}^n \{ (\text{CC}_t + \text{ED}_t + \text{ASC}_t) \times (\text{AL}_t - \text{CBL}_t) \} \quad (\text{D})$$

Where:

BC = Baseline Charge
PC = Program Charge (D)

CC_t = Commodity Charge for hour t
ED_t = Energy Delivery Charge for hour t
ASC_t = Ancillary Services Charge for hour t
AL_t = Customer Actual Load for hour t
CBL_t = Customer Baseline Load in hour t
n = total number of hours in the billing period
t = an hour in the billing period

BASELINE CHARGE

The Baseline Charge is independent of Customer's currently monthly usage, and is designed to achieve bill neutrality with the Customer's standard offer tariff if no change in electricity usage pattern occurs (less applicable program charges). The Baseline Charge is calculated at the end of the billing period and changes each billing period to maintain bill neutrality for a Customer's CBL.

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BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

$$BC = (\text{Standard Bill @ CBL})$$

Where:

BC = Baseline Charge
Standard Bill @ CBL = Customer's bill for a specific month on the applicable Rate Schedule including applicable Standard Contract Riders using the CBL to establish the applicable billing determinants.

The CBL shall be adjusted to reflect applicable metering adjustments under the Rate Schedule. All applicable riders shall be excluded from the calculation of the Baseline Charge.

(C)
(D)

PRICE QUOTES

The Company will send to Customer, within two hours after the wholesale prices are published by the Midwest Independent Transmission System Organization, Inc. ("Midwest ISO") each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

(C)

The Company may send more than one-day-ahead Price Quotes for weekends and holidays identified in Company's tariffs. The Company may revise these prices the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is Customer's responsibility to inform Company of any failure to receive the Price Quotes the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL:

For kWh_t above the CBL_t, $CC_t = MVG_t \times LAF$
For kWh_t below the CBL_t, $CC_t = MVG_t \times 80\% \times LAF$

Where:

LAF = loss adjustment factor
= 1.0530 for Rate TS
= 1.0800 for Rate DP
= 1.1100 for Rate DS
MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge (Credit) shall be applied on a hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Service	\$0.006074 per kW Per Hour
Primary Service	\$0.005559 per kW Per Hour
Transmission Service	\$0.002015 per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:

- Scheduling, System Control & Dispatch
- Reactive and Voltage Control
- Regulation and Frequency Response
- Spinning Reserve
- Supplemental Reserve

The applicable hourly Ancillary Services Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Delivery.....	\$0.000760 per kW Per Hour
Primary Delivery.....	\$0.000740 per kW Per Hour
Transmission Delivery	\$0.000721 per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(N)

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PROGRAM CHARGE

Company will be provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$150.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

SPECIAL TERM AND CONDITIONS

Except as provided in this Rate RTP, all terms, conditions, rates, and charges outlined in the Standard Rate Schedule will apply. Participation in the RTP Program will not affect Customer's obligations for electric service under the Standard Rate Schedule.

Customers who terminate their service agreement under this Rider RTP after the initial one (1) year term shall be ineligible to return to the program for twelve (12) months from the termination date.

The primary term of service is one (1) year consisting of a consecutive twelve month period.

Customers returning to the standard tariff shall have any historical demands in excess of the CBL, waived for purposes of calculating applicable billing demands.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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JUN 16 2006

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Schedule L-1
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Witness Responsible: J. R. Bailey

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Boone County	Kenton County
Bromley	Kenton Vale
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Covington	Ludlow
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Crescent Springs	Newport
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Crestview Hills	Pendleton County
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Dayton	Silver Grove
Dry Ridge	Southgate
Edgewood	Taylor Mill
Elsmere	Union
Erlanger	Villa Hills
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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

When a prospective customer desires electric service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

2. Customer's Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any electric service for the purpose mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of electricity.
- (d) Use of electricity, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the electric service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within twenty-four (24) hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

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SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

4. Connection of Service.

Except as provided in SECTION 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and the Commission's regulations have been met. (C)

5. Change of Address to Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three days, to discontinue service.

If Customer moves to an address at which he requires electric service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice. (C)

6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors of administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters, or transformers, on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service drop to Customer's service terminals.

Company installs its overhead service drop, supplies one set of service drop attachment fittings and makes connection to Customer's service terminals.

The rates for each class of service provided for in the Rate Schedules contemplate the furnishing of service to one location or premise through one standard service connection. Where Customer is receiving service through more than one standard service connection, Company will calculate and render a separate bill for service furnished through each service connection.

Subject to the rules, conditions and riders covering the installation of service connections and extensions, Company will make one standard service connection to Customer's installation; if three phase service is required an additional connection is necessary, both will be considered as one standard service connection.

2. Company's Property and Protection Thereof.

All meters, and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

3. Relocation of Facilities

When a customer or private party requests the Company to relocate the Company's facilities or a customer's service entrance wiring, such requesting party shall pay all expenses related to such relocation. (N)

When the Company relocates its facilities or a customer's service entrance wiring at the request of a governmental entity (or Administrating Agency) and if the relocation was related to a project financed through transportation improvement district funding, joint economic development district funding, tax increment funding, or similar quasi-public funding, then the governmental entity (or Administrating Agency) shall pay for the cost of relocating Company's facilities in direct proportion to the contributions received from the other funding sources. (N)

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RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to electric service other than three phase service, for all domestic purposes in private residences, single occupancy apartments and separately metered common use areas of multi-occupancy buildings in the entire territory of the Company where distribution lines are adjacent to the premises to be served.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multi-occupancy building are served through one meter and the common use area is metered separately, the kilowatt-hour rate will be applied on a "per residence" or "per apartment" basis, however, the customer charge will be based on the number of installed meters.

Where a portion of a residential service is used for purposes of a commercial or public character, Rate DS, Service At Distribution Voltage, is applicable to all service. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this Rate will be applied to the residential service, if the service qualifies hereunder.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate
 - (a) Customer Charge \$5.00 per month (D)
 - (b) Energy Charge
All kilowatt hours \$0.081299 per kWh (D)
2. Applicable Riders (C)
The following riders are applicable pursuant to the specific terms contained within each rider: (D)
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be the Customer Charge as shown above.

BILLING PERIODS

For purposes of the administration of the above Base Rate charges, the summer period is that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

This rate is available upon application in accordance with the Company's Service Regulations.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at the Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, and all applicable riders, shall not exceed \$0.235249 per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh): (C)

1. Base Rate

(a) Customer Charge per month

Single Phase Service	\$ 7.50 per month	(I)
Three Phase Service	\$ 15.00 per month	(I)

(b) Demand Charge

First 15 kilowatts	\$ 0.00 per kW	(I)
Additional kilowatts	\$ 8.00 per kW	(I)

(c) Energy Charge

First 6,000 kWh	\$0.080731 per kWh	(I)
Next 300 kWh/kW	\$0.049510 per kWh	(I)
Additional kWh	\$0.040922 per kWh	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (C)

Sheet No. 78, Rider DSMR, Demand Side Management Rider

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be the Customer Charge shown above.

For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed \$0.139607 per kilowatt-hour plus all applicable riders. (I)
(C)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

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1697-A Monmouth Street
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METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than the higher of the following:

- a) 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months; or
- b) One (1) kilowatt for single phase secondary voltage service and five (5) kilowatts for three phase secondary voltage service.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

- a. Continuous measurement
 - the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or
- b. Testing
 - the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by a minimum notice of either the customer or the Company as prescribed by the Company's Service Regulations.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for customers with an average monthly demand of 500 kilowatts or greater where the Company specifies service at a nominal distribution system voltage of 34,500 volts or lower, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt of demand abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge			
Single Phase	\$ 7.50	per month	(I)
Three Phase	\$ 15.00	per month	
Primary Voltage Service	\$100.00	per month	
(b) Demand Charge			
Summer			
On Peak kW	\$ 11.56	per kW	(I)
Off Peak kW	\$ 1.19	per kW	
Winter			
On Peak kW	\$ 10.15	per kW	(I)
Off Peak kW	\$ 1.19	per kW	
(c) Energy Charge			
All kWh	\$0.041927	per kWh	(I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:	(C)
Sheet No. 78, Rider DSMR, Demand Side Management Rider	(D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause	
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider -- Electric	
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism	(N)

The minimum charge shall be the Customer Charge, as stated above.

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NET MONTHLY BILL (Contd.)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

For purposes of administration of the above Base Rate charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday, as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, kilowatt hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

If the customer furnishes primary voltage transformers and appurtenances, in accordance with the Company's specified design and maintenance criteria, the Demand Charge, as stated above, shall be reduced as follows:

First 1,000 kW of On Peak billing demand at \$0.65 per kW.
Additional kW of On Peak billing demand at \$0.50 per kW.

(I)

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

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POWER FACTOR ADJUSTMENT

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a period of three (3) years for secondary voltage service and five (5) years for primary voltage service terminable thereafter by a minimum notice of either the customer or the Company as follows:

- (1) For secondary voltage service customers, as prescribed by the Company's Service Regulations.
- (2) For primary voltage service customers with a most recent twelve month average demand of less than 10,000 kVA or greater than 10,000 kVA, written notice of thirty (30) days or twelve (12) months respectively, after receipt of the written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of the administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's demand is less than 500 kilowatts and the Company expects the customer's demand to remain below 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage shall be applicable initiating with the June revenue month billing and shall continue until the term of service of that rate is fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly greater than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
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RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

Applicable to electric service for heating when customer's wiring is so arranged that heating service can be furnished at one point of delivery and can be metered separately from all other types of service or to any public school, parochial school, private school, or church when supplied at one point of delivery, provided permanently connected and regularly used electrical equipment is installed in compliance with the Company specifications as the primary source of heating or heating and cooling the atmosphere to temperatures of human comfort; and provided all other electrical energy requirements are purchased from the Company. No single water heating unit shall be wired that the demand established by it can exceed 5.5 kilowatts unless approved by the Company.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

A. Winter Period

1. Base Rate

(a) Customer Charge

Single Phase Service	\$ 7.50 per month	(I)
Three Phase Service	\$ 15.00 per month	(I)
Primary Voltage Service	\$ 100.00 per month	

(b) Energy Charge

All kWh	\$0.067222 per kWh	(I)
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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider	(C)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause	(N)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric	
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism	

The minimum charge shall be the Customer Charge stated above.

B. Summer Billing Period

For energy used during the summer period, the kilowatt demand and kilowatt-hour use shall be billed in accordance with the provisions of the applicable Rate DS or Rate DP.

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NET MONTHLY BILL (Contd.)

For purposes of administration of the above charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

DEMAND

Customer's Demand will be the kilowatts as determined from Company's meter for the fifteen-minute period of customer's greatest use during the month or as calculated by the Company, but not less than five (5) kilowatts.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

Applicable to electric service required for sports installations, such as football and baseball fields, swimming pools, tennis courts, and recreational areas, promoted, operated and maintained by non-profit organizations, such as schools, churches, civic clubs, service clubs, community groups, and municipalities, where such service is separately metered and supplied at one point of delivery, except, not applicable to private sports installations which are not open to the general public. This rate is available only to customers to whom service was supplied in accordance with its terms on June 25, 1981.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt hours are abbreviated as kWh):

1. Base Rate
 - (a) Customer Charge \$7.50 per month (I)
 - (b) Energy Charge \$0.093751 per kWh
2. Applicable Riders (C)
 - The following riders are applicable pursuant to the specific terms contained within each rider:
 - Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)
 - Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be a sum equal to 1.5% of the Company's installed cost of transformers and metering equipment required to supply and measure service, but not less than the customer charge whether service is on or disconnected.

RECONNECTION CHARGE

A charge of \$25.00 is applicable to each season to cover in part the cost of reconnection of service. (I)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

Applicable to electric service in the Company's entire territory for small fixed, electric load which can be served by a standard service drop from the Company's existing secondary distribution system where it is considered by the Company to be impractical to meter, such as service locations for bus shelters, telephone booths, navigation lights and beacons, and cable television power supplies. (C)

TYPE OF SERVICE

Alternating current 60 Hz, at nominal voltages of 120, 120/240 or 120/208 volts, single phase, unmetered. Service of other characteristics, where available, may be furnished at the option of the Company.

NET MONTHLY BILL

Computed in accordance with the following charges and based upon calculated energy use determined by the rated capacity of the connected equipment:

1. Base Rate

- (a) For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment \$0.070656 per kWh (I)
- (b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment \$0.081562 per kWh (I)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

Minimum: \$2.69 per Fixed Load Location per month. (I)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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SERVICE PROVISIONS

- (1) Each separate point of delivery of service shall be considered a Fixed Load Location.
- (2) Only one supply service will be provided to a customer under this Schedule as one Fixed Load Location.
- (3) The customer shall furnish switching equipment satisfactory to the Company.
- (4) The calculated energy use per month shall be determined by the Company taking into consideration the size and operating characteristics of the load.
- (5) The customer shall notify the Company in advance of every change in connected load or operating characteristics, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of any such changes, the Company reserves the right to refuse to serve the Fixed Load thereafter under this Schedule, and shall be entitled to bill the customer retroactively on the basis of the changed load and operating characteristics for the full period such load was connected.

TERM OF SERVICE

One (1) year, terminable thereafter on thirty (30) days written notice by either the customer or the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at nominal primary distribution system voltages of 12,500 volts or 34,500 volts, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed \$0.19033 per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge				
Primary Voltage Service (12.5 or 34.5 kV)	\$	100.00	per month	
(b) Demand Charge				
All kilowatts	\$	7.50	per kW	(D)
(c) Energy Charge				
First 300 kWh/kW	\$	0.051707	per kWh	(D)
Additional kWh	\$	0.043446	per kWh	

2. Applicable Riders

- The following riders are applicable pursuant to the specific terms contained within each rider: (D)
- Sheet No. 78, Rider DSMR, Demand Side Management Rider
 - Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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NET MONTHLY BILL (Contd.)

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

a. Continuous measurement

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or

b. Testing

- the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter as prescribed by the Company's Service Regulations.

- (1) For customers with a most recent twelve month average demand of less than 10,000 kVA, thirty days written notice.
- (2) For customers with a most recent twelve month average demand of 10,000 kVA or greater, written notice twelve months in advance of the desired termination date.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at a nominal transmission system voltage of 69,000 volts or higher, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and the customer furnishes and maintains all transformation equipment and appurtenances necessary to utilize the service.

Service is applicable for ultimate use by the customer and is not applicable for standby, supplemental, emergency or resale service.

TYPE OF SERVICE

Alternating current 60 Hz, three phase at Company's standard transmission voltage of 69,000 volts or higher.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate
 - (a) Customer Charge \$ 500.00 per month
 - (b) Demand Charge
 - Summer
 - On Peak kW \$ 7.29 per kW (I)
 - Off Peak kW \$ 1.11 per kW (I)
 - Winter
 - On Peak kW \$ 5.98 per kW (I)
 - Off Peak kW \$ 1.11 per kW (I)
 - (c) Energy Charge
 - All kWh \$0.038697 per kWh (I)
2. Applicable Riders
 - The following riders are applicable pursuant to the specific terms contained within each rider: (C)
 - Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)
 - Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

The minimum charge shall be not less than fifty percent (50%) of the highest demand charge established during the preceding eleven (11) months.

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NET MONTHLY BILL (Contd.)

For purposes of administration of the above charges, the summer is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - all hours Monday through Friday not included above plus all day Saturday and Sunday as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased one and one-half percent (1.5%) for billing purposes.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter by either the customer or the Company as follows:

- (1) Thirty (30) days after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of less than 10,000 kW.
- (2) Twelve (12) months after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of greater than 10,000 kW.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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**RIDER GSS
GENERATION SUPPORT SERVICE**

APPLICABILITY

Applicable to any general service customer having generation equipment capable of supplying all or a portion of its power requirements for other than emergency purposes and who requests supplemental, maintenance or backup power.

TYPE OF SERVICE

Service will be rendered in accordance with the specifications of the Company's applicable distribution voltage service or transmission voltage service tariff schedules.

NET MONTHLY BILL

The provisions of the applicable distribution service or transmission service tariff schedule and all applicable riders shall apply to Supplemental Power Service, Maintenance Power Service and Backup Power Service except where noted otherwise. The monthly Administrative Charge and the Monthly Reservation Charges as shown shall apply only to Maintenance Power Service and Backup Power Service.

1. Administrative Charge
The Administrative Charge shall be \$50 plus the appropriate Customer Charge.
2. Monthly Distribution Reservation Charge
 - a. Rate DS - Secondary Distribution Service \$2.6893 per kW (R)
 - b. Rate DT - TOU Secondary Distribution Service \$2.4716 per kW (R)
 - c. Rate DP - Primary Distribution Service \$2.8819 per kW (R)
 - d. Rate TT - Transmission Service \$0.0000 per kVA (R)
3. Monthly Transmission Reservation Charge
 - a. Rate DS - Secondary Distribution Service \$1.3153 per kW (R)
 - b. Rate DT - TOU Secondary Distribution Service \$1.3097 per kW (R)
 - c. Rate DP - Primary Distribution Service \$1.8710 per kW (R)
 - d. Rate TT - Transmission Service \$1.2355 per kVA (R)
4. Monthly Ancillary Services Reservation Charge
 - a. Rate DS, - Secondary Distribution Service \$0.5240 per kW
 - b. Rate DT - TOU Secondary Distribution Service \$0.5240 per kW
 - c. Rate DP - Primary Distribution Service \$0.5240 per kW
 - d. Rate TT - Transmission Service \$0.4550 per kVA
5. Supplemental Power Service
The customer shall contract with the Company for the level of demand required for Supplemental Power Service. All Supplemental Power shall be billed under the terms and charges of the Company's applicable full service tariff schedules. All power not specifically identified and contracted by the customer as Maintenance Power or Backup Power shall be deemed to be Supplemental Power.

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NET MONTHLY BILL (Contd.)

6. Maintenance Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Maintenance Power. The contracted level of Maintenance Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Maintenance Power is required. The customer's Maintenance Power requirements for each generating unit must be submitted to the Company at least sixty (60) days prior to the beginning of each calendar year. Within thirty (30) days of such submission, the Company shall respond to the customer either approving the Maintenance Power schedule or requesting that the customer reschedule those Maintenance Power requirements. For each generating unit, the customer may elect Maintenance Power Service for up to thirty (30) days in any twelve month period with no more than two (2) days consecutively during the summer billing periods of June through September and those must be during the Company's off-peak periods. The customer may request an adjustment to the previously agreed upon Maintenance Power schedule up to three weeks prior to the scheduled maintenance dates. The adjusted dates must be within one (1) week of the previously scheduled dates and result in a scheduled outage of the same seasonal and diurnal characteristics as the previously scheduled maintenance outage. The Company shall respond to the customer's request for an adjustment within one (1) week of that request. The Company may cancel a scheduled Maintenance Power period, with reason, at any time with at least seven (7) days notice to the customer prior to the beginning of a scheduled maintenance outage if conditions on the Company's electrical system warrant such a cancellation. Any scheduled Maintenance Power period cancelled by the Company shall be rescheduled subject to the mutual agreement of the Company and the customer.

Billing -

All power supplied under Maintenance Power Service shall be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision of the Company's full service tariff schedules shall be waived; and 2) the demand charge for Generation shall be fifty (50) percent of the applicable full service tariff Generation demand charge prorated by the number of days that Maintenance Power is taken.

7. Backup Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Backup Power. The contracted level of Backup Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Backup Power is required. The customer shall notify the Company by telephone within one-hour of the beginning and end of the outage. Within 48 hours of the end of the outage, the customer shall supply written notice to the Company of the dates and times of the outage with verification that the outage had occurred.

Billing -

All Backup Power will be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision, if any, of the Company's full service tariff schedules is waived; and 2) the demand charge for Generation shall be the applicable full service tariff schedule Generation demand charge as shown in Appendix A prorated by the number of days that Backup Power is taken, except that where some of the customer's load requirement for Backup Power and Supplemental Power is 5 MW or greater and such requirement represents new load for ULH&P subsequent to January 1, 2002, the customer's generation charge for energy and demand shall be based on the provisions of Rate RTP-M, Sheet No. 59.

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NET MONTHLY BILL (Contd.)

8. Monthly Reservation Charges

The Monthly Distribution Reservation Charge, Monthly Transmission Reservation Charge and the Monthly Ancillary Services Charge items shown above shall be based on the greater of the contracted demand for Maintenance Power or Backup Power.

METERING

Recording meters, as specified by the Company, shall be installed where necessary, at the customer's expense. All metering equipment shall remain the property of the Company.

DEFINITIONS

Supplemental Power Service – a service which provides distribution and/or transmission capacity to the customer as well as the energy requirements for use by a customer's facility in addition to the electric power which the customer ordinarily generates on its own.

Maintenance Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer during scheduled outages or interruptions of the customer's own generation.

Backup Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer to replace energy generated by the customer's own generation during an unscheduled outage or other interruption on the part of the customer's own generation.

TERMS AND CONDITIONS

The term of contract shall be for a minimum of five (5) years.

The customer shall be required to enter into a written Service Agreement with the Company which shall specify the type(s) of service required, notification procedures, scheduling, operational requirements, the amount of deviation from the contract demand to provide for unavoidable generation fluctuations resulting from normal mechanical factors and variations outside the control of the customer and the level of demand and energy required.

The customer is required to adhere to the Company's requirements and procedures for interconnection as set forth in the Company's publication, "System Protection Requirements & Guidelines for Connection & Parallel Operation of Non-Utility Generators" which is provided to customers requesting service under this rider.

The cost of any additional facilities associated with providing service under the provisions of this rider shall be borne by the customer.

Changes in contracted demand levels may be requested by the customer once each year at the contract anniversary date. This request shall be made at least thirty (30) days in advance of the contract anniversary date.

The Company may enter into special agreements with customers which may deviate from the provisions of this rider. Such agreements shall address those significant characteristics of service and cost which would influence the need for such an agreement.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated
No.2006-00172..

in Case

Issued: June 16, 2006

Effective: July 6, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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RATE RTP - M
REAL TIME PRICING – MARKET-BASED PRICING

APPLICABILITY

Applicable to all new Customers as of January 1, 2002 having estimated service requirements of 5,000 kilowatts or more and to existing Customers whose service requirements increase by 5,000 kilowatts or more. Where an existing Customer's requirements increase by 5,000 kilowatts or more, that Customer's incremental load will be subject to the provisions of this rate schedule.

PROGRAM DESCRIPTION

Under the RTP-M program, binding Price Quotes will be sent to each Customer on a day-ahead basis. Customers have the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods or adding new load during lower cost pricing periods.

CUSTOMER CHARGE

The following Customer Charges will be assessed:

Secondary Service \$ 15.00 per month
Primary Service \$100.00 per month
Transmission Service \$500.00 per month

(I)

PRICE QUOTES

The Company will send to Customer, by 3:00 p.m. each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

The Company may send more than one day ahead Price Quotes for weekends and holidays identified in the Company's tariffs. The Company may revise these prices by 3:00 p.m. the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is the Customer's responsibility to inform the Company of any failure to receive the Price Quotes by 5:00 p.m. the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

$$CC_t = MVG_t \times LAF$$

Where:

LAF = loss adjustment factor
= 1.0530 for Transmission Service
= 1.0800 for Primary Service
= 1.1100 for Distribution Service
MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_i will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

Customers will have the option to enter into a price management agreement whereby the Commodity Charge (CC) for a specified time period (Contract Period) will be fixed at as specified level (Contract Price). Company will have the final determination to enter into a Price Management Contract and the term and structure of the pricing arrangement.

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

Secondary Service	\$0.006074 per kW Per Hour
Primary Service.....	\$0.005559 per kW Per Hour
Transmission Service	\$0.002015 per kW Per Hour

(I)

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:

- Scheduling, System Control & Dispatch
- Reactive and Voltage Control
- Regulation and Frequency Response
- Spinning Reserve
- Supplemental Reserve

The applicable hourly Ancillary Services Charge shall be applied on an hour by hour basis.

Charge For Each kW Per Hour:

Secondary Delivery	\$0.000760 per kW Per Hour
Primary Delivery	\$0.000740 per kW Per Hour
Transmission Delivery	\$0.000721 per kW Per Hour

(I)

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

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METERING ADJUSTMENTS

The Company may meter at secondary or primary voltage as circumstances warrant. In the case of Primary and Secondary Customers, if the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced by one and one-half percent (1.5%). In the case of Transmission Customers, if the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased by one and one-half percent (1.5%).

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(D)
(C)
(N)

PROGRAM CHARGE

Company will provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$183.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

TERM AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by either the Customer or the Company within thirty (30) days after receipt of written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the Customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such facilities, is established at twenty percent (20%) of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the Customer Charge.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowners associations, for the lighting of public streets and roads with Company-owned lighting fixtures.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be installed and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed:

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NET MONTHLY BILL (Contd.)

1. Base Rate

<u>OVERHEAD DISTRIBUTION AREA</u> Fixture Description	<u>Lamp</u> <u>Watt</u>	<u>kW/Unit</u>	<u>Annual</u> <u>kWh</u>	<u>Rate/Unit</u>	
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 4.21	
10,000 lumen	250	0.275	1,144	\$ 5.88	(I)
21,000 lumen	400	0.430	1,789	\$ 7.36	
Metal Halide					
14,000 lumen	175	0.193	803	\$ 5.46	
20,500 lumen	250	0.275	1,144	\$ 5.88	(N)
36,000 lumen	400	0.430	1,789	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 6.84	
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.89	(I)
16,000 lumen	150	0.171	711	\$ 7.08	
22,000 lumen	200	0.228	948	\$ 9.16	
27,500 lumen	250	0.275	948	\$ 9.16	(N)
50,000 lumen	400	0.471	1,959	\$10.95	
Decorative Fixtures					
Sodium Vapor					
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74	
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.97	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$11.99	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$19.73	

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

Spans of Secondary Wiring:

For each increment of 50 feet of secondary wiring beyond the first 150 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.52. (I)

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NET MONTHLY BILL (Contd.)

<u>UNDERGROUND DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
<u>Fixture Description</u>					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	\$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 4.21	(D)
10,000 lumen	250	0.292	1,215	\$ 5.88	
21,000 lumen	400	0.460	1,914	\$ 7.36	(D)
Metal Halide					
14,000 lumen	175	0.210	874	\$ 5.46	
20,500 lumen	250	0.292	1,215	\$ 5.88	(N)
36,000 lumen	400	0.460	1,914	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 6.84	
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.89	
16,000 lumen	150	0.171	711	\$ 7.08	(D)
22,000 lumen	200	0.228	948	\$ 9.16	
50,000 lumen	400	0.471	1,959	\$10.95	
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$ 5.73	(D)
7,000 lumen (Holophane)	175	0.210	874	\$ 7.60	
7,000 lumen (Gas Replica)	175	0.210	874	\$19.59	
7,000 lumen (Granville)	175	0.205	853	\$ 5.73	(N)
7,000 lumen (Aspen)	175	0.210	874	\$11.78	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.73	
14,000 lumen (Granville Acorn)	175	0.210	874	\$11.78	
14,000 lumen (Gas Replica)	175	0.210	874	\$19.59	(N)
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$ 9.88	
9,500 lumen (Holophane)	100	0.128	532	\$10.69	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74	(D)
9,500 lumen (Gas Replica)	100	0.128	532	\$21.04	
9,500 lumen (Aspen)	100	0.128	532	\$12.54	
9,500 lumen (Traditionaire)	100	0.117	487	\$ 9.88	
9,500 lumen (Granville Acorn)	100	0.128	532	\$12.54	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.97	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$11.99	(D)
50,000 lumen (Setback)	400	0.471	1,959	\$19.73	

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NET MONTHLY BILL (Contd.)

<u>POLE CHARGES</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
<u>Pole Description</u>			
<u>Wood</u>			
17 foot (Wood Laminated) (a)	W17	\$ 4.37	
30 foot	W30	\$ 4.31	(I)
35 foot	W35	\$ 4.36	
40 foot	W40	\$ 5.23	
<u>Aluminum</u>			
12 foot (decorative)	A12	\$11.97	
28 foot	A28	\$ 6.89	(I)
28 foot (heavy duty)	A28H	\$ 6.96	
30 foot (anchor base)	A30	\$13.76	
<u>Fiberglass</u>			
17 foot	F17	\$ 4.37	
12 foot (decorative)	F12	\$12.87	(I)
30 foot (bronze)	F30	\$ 8.38	
35 foot (bronze)	F35	\$ 8.60	
<u>Steel</u>			
27 foot (11 gauge)	S27	\$11.31	(I)
27 foot (3 gauge)	S27H	\$17.05	(I)

Spans of Secondary Wiring:

For each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.75. (I)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

(a) Note: New or replacement poles no longer available.

2. Base Fuel Cost (I)
All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.
3. Applicable Riders (D)
The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

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TERM OF SERVICE

The street lighting units are installed for the life of the unit, and then its terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

Applicable to the supplying of energy for traffic signals or other traffic control lighting on public streets and roads. After April 2, 1990, this tariff schedule shall only be applicable to municipal, county, state and local governments. In the application of this tariff, each point of delivery shall be considered as a separate customer.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

- (a) Where the Company supplies energy only, all kilowatt-hours shall be billed at \$0.035196 per kilowatt-hour; (D)
- (b) Where the Company supplies energy from a separately metered source and the Company has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.020695 per kilowatt-hour. (D)
- (c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.055892 per kilowatt-hour. (D)

2. Applicable Riders The following riders are applicable pursuant to the specific terms contained within each rider: (D)
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on thirty (30) days written notice by either customer or Company.

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GENERAL CONDITIONS

- (1) Billing will be based on the calculated kilowatt-hour consumption taking into consideration the size and characteristics of the load.
- (2) Where the average monthly usage is less than 110 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing the electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before the work is carried out.
- (3) The location of each point of delivery shall be mutually agreed upon by the Company and the customer. In overhead distribution areas, the point of delivery shall be within 150 feet of existing secondary wiring. In underground distribution areas, the point of delivery shall be at an existing secondary wiring service point.
- (4) If the customer requires a point of delivery which requires the extension, relocation, or rearrangement of Company's distribution system, the customer shall pay the Company, in addition to the monthly charge, the cost of such extension, relocation, or rearrangement on the basis of time and material plus overhead charges unless, in the judgment of the Company, no payment shall be made. An estimate of the cost will be submitted for approval before work is carried out.

LIMITED MAINTENANCE

Limited maintenance for traffic signals is defined as cleaning and replacing lamps, and repairing connections in wiring which are of a minor nature. Limited maintenance for traffic controllers is defined as cleaning, oiling, adjusting and replacing contacts which are provided by customer, time-setting when requested, and minor repairs to defective wiring.

SERVICE REGULATIONS

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**RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE**

APPLICABILITY

Applicable for electric energy usage only for any street or outdoor area lighting system (System), operating during the dusk to dawn time period, on private or public property and owned by the customer or the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service under this tariff schedule shall require a written agreement between the customer and the Company specifying the calculated lighting kilowatt-hours. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's and Company's Installations.

CONTRACT FOR SERVICE

The customer will enter into an Agreement for Electric Service for Outdoor Lighting for a minimum of one year and renewable annually, automatically, thereafter.

The Company will provide unmetered electric service based on the calculated annual energy usage for each luminaire's lamp wattage plus ballast usage (impact wattage). The System kilowatt-hour usage shall be determined by the number of lamps and other System particulars as defined in the written agreement between the customer and Company. The monthly kilowatt-hour amount will be billed at the rate contained in the NET MONTHLY BILL section below.

LIGHTING HOURS

The unmetered lighting System will be operated automatically by either individual photoelectric controllers or System controller(s) set to operate on either dusk-to-dawn lighting levels or on pre-set timers for any hours between dusk-to-dawn. The hours of operation will be agreed upon between the customer and the Company and set out in the Agreement. Dusk-to-dawn lighting typically turns on and off approximately one-half (1/2) hour after sunset and one-half (1/2) hour before sunrise which is approximately 4160 hours annually.

NET MONTHLY BILL

Computed in accordance with the following charge:

- | | | | |
|----|--|--------------------|-----|
| 1. | Base Rate
All kWh | \$0.034621 per kWh | (D) |
| 2. | Applicable Riders
The following riders are applicable pursuant to the specific terms contained within each rider: | | (D) |
| | Sheet No. 80, Rider FAC, Fuel Adjustment Clause | | (C) |
| | Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric | | (N) |
| | Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism | | |

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill which is the Net Monthly Bill plus 5%, is due and payable.

OWNERSHIP OF SERVICE LINES

Company will provide, install, own, operate and maintain the necessary facilities for furnishing electric service to the System defined in the agreement. If the customer requires the installation of a System at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

The Company shall erect the service lines necessary to supply electric energy to the System within the limits of the public streets and highways or on private property as mutually agreed upon by the Company and the customer. The customer shall assist the Company, if necessary, in obtaining adequate written easements covering permission to install and maintain any service lines required to serve the System.

The Company shall not be required to pay for obtaining permission to trim or re-trim trees where such trees interfere with lighting output or with service lines or wires of the Company used for supplying electric energy to the System. The customer shall assist the Company, if necessary, in obtaining permission to trim trees where the Company is unable to obtain such permission through its own best efforts.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

Applicable for outdoor lighting services on private property with Company owned fixtures in the Company's entire service area where secondary distribution lines are adjacent to the premises to be served. Not applicable for lighting public roadways which are dedicated, or anticipated to be dedicated, except to meet the occasional singular need of a customer who has obtained written approval from the proper governmental authority.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-ways provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a maximum mast arm of 10 feet for overhead units will be assessed:

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Standard Fixtures (Cobra Head)					
Mercury Vapor					
7,000 lumen (Open Refractor)	175	0.205	853	\$ 6.88	
7,000 lumen	175	0.210	874	\$ 9.24	(I)
10,000 lumen	250	0.292	1,215	\$10.39	
21,000 lumen	400	0.460	1,914	\$12.64	
Metal Halide					
14,000 lumen	175	0.210	874	\$ 9.24	
20,500 lumen	250	0.307	1,215	\$10.39	(N)
36,000 lumen	400	0.460	1,914	\$12.64	
Sodium Vapor					
9,500 lumen (Open Refractor)	100	0.117	487	\$ 6.57	(I)
9,500 lumen	100	0.117	487	\$ 8.85	
16,000 lumen	150	0.171	711	\$ 9.66	
22,000 lumen	200	0.228	948	\$10.36	
27,500 lumen	250	0.228	948	\$10.36	(N)
50,000 lumen	400	0.471	1,959	\$10.38	
Decorative Fixtures (a)					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$11.45	
7,000 lumen (Holophane)	175	0.210	874	\$15.20	
7,000 lumen (Gas Replica)	175	0.210	874	\$39.18	(I)
7,000 lumen (Aspen)	175	0.210	874	\$23.57	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$11.45	
14,000 lumen (Granville Acorn)	175	0.210	874	\$23.57	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$39.18	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$19.75	
9,500 lumen (Holophane)	100	0.128	532	\$21.39	
9,500 lumen (Rectilinear)	100	0.117	487	\$17.48	(I)
9,500 lumen (Gas Replica)	100	0.128	532	\$42.08	
9,500 lumen (Aspen)	100	0.128	532	\$25.09	
9,500 lumen (Traditionaire)	100	0.117	487	\$19.75	
9,500 lumen (Granville Acorn)	100	0.128	532	\$25.09	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$19.94	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$23.98	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$39.46	

(a) When requesting installation of a decorative unit, the customer may elect to make an additional contribution to obtain the monthly rate per unit charge for the same size standard (cobra head) outdoor lighting fixture.

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Duke Energy Kentucky
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NET MONTHLY BILL (Contd.)

B. Flood lighting units served in overhead distribution areas (FL):

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, will be assessed:

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Mercury Vapor 21,000 lumen	400	0.460	1,914	\$12.65	(I)
Metal Halide 20,500 lumen	250	0.307	1,215	\$10.39	(N)
36,000 lumen	400	0.460	1,914	\$12.65	
Sodium Vapor 22,000 lumen	200	0.246	1,023	\$10.13	
30,000 lumen	250	0.312	1,023	\$10.13	(N)
50,000 lumen	400	0.480	1,997	\$11.11	

Additional facilities, if needed will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hour shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

GENERAL CONDITIONS

- In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.
- If the customer requires the extension, relocation or rearrangement of the Company's system, the customer will pay, in addition to the monthly charge, the Company on a time and materials basis, plus overhead charges, for such extension, relocation or rearrangement unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for customer approval before work is carried out.

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GENERAL CONDITIONS (Contd.)

3. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
4. Installation of lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
5. The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these light units for such reason.
6. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

TERM OF SERVICE

Three (3) years for a new and/or succeeding customer until the initial period is fulfilled. The service is terminable thereafter on ten (10) days written notice by the customer or the Company.

At the Company's option, a longer contract may be required for large installations.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations, currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
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RATE NSU

**STREET LIGHTING SERVICE
NON-STANDARD UNITS**

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, hereinafter referred to as customer for the lighting of public streets and roads with existing Company and Customer owned lighting fixtures. This service is not available for units installed after January 1, 1985.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps maintained by the Company within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed.

1. Base Rate

A. Company owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
1. Boulevard units served underground					
a. 2,500 lumen Incandescent - Series	148	0.148	616	\$ 7.84	
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	\$ 5.46	(M)
2. Holophane Decorative fixture on 17 foot fiberglass pole served underground with direct buried cable					
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	\$14.07	

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NET MONTHLY BILL (Contd.)

The cable span charge of \$0.75 per each increment of 25 feet of secondary wiring shall be added to the Rate/unit charge for each increment of secondary wiring beyond the first 25 feet from the pole base. (I)

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
3. Street light units served overhead distribution				
a. 2,500 lumen Incandescent	189	0.189	786	\$ 5.40
b. 2,500 lumen Mercury Vapor	100	0.109	453	\$ 5.69
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	\$ 6.63

B. Customer owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
1. Steel boulevard units served underground with limited maintenance by Company				
a. 2,500 lumen Incandescent – Series	148	0.148	616	\$ 4.12
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	\$ 5.23

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 1 or 3 under General Conditions.

GENERAL CONDITIONS

(1) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

(2) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by, and at the expense of, the Company.

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GENERAL CONDITIONS (Contd.)

In case of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (3) When a Company owned street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.
- (4) When a customer owned lighting unit becomes inoperative, the cost of repair or replacement of the unit will be at the customer's expense. The replacement unit shall be an approved Company fixture.
- (5) Limited maintenance by the Company includes only fixture cleaning, relamping, and glassware and photo cell replacement.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

Applicable to service for outdoor lighting on private property with Company-owned lighting fixtures in the Company's entire territory where secondary distribution lines are adjacent to the premise to be served. Not applicable to service for lighting of dedicated or undedicated public thoroughfares.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-way provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

- 1. Base Rate
 - A. Private outdoor lighting units:

The following monthly charge will be assessed for existing facilities, but this unit will not be available to any new customers after May 15, 1973:

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
2,500 lumen Mercury, Open Refractor.....	100	0.115	478	\$ 6.71	(D)
2,500 lumen Mercury, Enclosed Refractor.....	100	0.115	478	\$ 9.53	

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NET MONTHLY BILL (Contd.)

B. Outdoor lighting units served in underground residential distribution areas:

The following monthly charge will be assessed for existing fixtures which include lamp and luminaire, controlled automatically, with an underground service wire not to exceed 35 feet from the service point, but these units will not be available to new customers after May 5, 1992:

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
7,000 lumens Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	\$12.59	
7,000 lumen Mercury, Mounted on a 17-foot Wood Laminated Pole (a)	175	0.205	853	\$12.59	(D)
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole	175	0.205	853	\$11.51	
9,500 lumen Sodium Vapor, TC 100 R.	100	0.117	487	\$10.04	

(a) Note: New or replacement poles are not available.

C. Flood lighting units served in overhead distribution areas:

The following monthly charge will be assessed for each existing fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a span of wire not to exceed 120 feet, but these units will not be available after May 5, 1992:

	<u>Lamp Watt</u>	<u>kW/Fixture</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
52,000 lumen Mercury (35-foot Wood Pole) . .	1,000	1.102	4,584	\$18.94	
52,000 lumen Mercury (50-foot Wood Pole) . .	1,000	1.102	4,584	\$22.48	(I)
50,000 lumen Sodium Vapor	400	0.471	1,959	\$15.56	

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider: (D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

Three (3) years, terminable thereafter on ten (10) days written notice by either customer or Company.

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Duke Energy Kentucky
1697-A Monmouth Street
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KY.P.S.C. Electric No. 1
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GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.
2. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
3. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated in Case No. 2006-00172.

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowner's associations for the lighting of public streets and roads when the total investment and installation costs of the fixtures are borne by the customer. The fixture shall be a Company approved unit used in overhead and underground distribution areas.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be owned by the customer but may be installed by customer or Company with limited maintenance performed by the Company. Limited maintenance includes only fixture cleaning, relamping, and glassware and photo cell replacement. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

1. Base Rate	Lamp Watts	kW/Unit	Annual kWh	Rate/Unit	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$2.57	(D)
10,000 lumen	250	0.275	1,144	\$3.04	
21,000 lumen	400	0.430	1,789	\$3.83	
Metal Halide					
14,000 lumen	175	0.193	803	\$2.57	
20,500 lumen	250	0.275	1,144	\$3.04	(N)
36,000 lumen	400	0.430	1,789	\$3.83	

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NET MONTHLY BILL (Contd.)

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$3.96	(I)
16,000 lumen	150	0.171	711	\$4.19	(I)
22,000 lumen	200	0.228	948	\$4.26	
27,500 lumen	250	0.228	948	\$4.26	(N)
50,000 lumen	400	0.471	1,959	\$4.45	
Decorative Fixture					
Mercury Vapor					
7,000 lumen (Holophane)	175	0.210	874	\$3.57	
7,000 lumen (Town & Country)	175	0.205	853	\$3.56	
7,000 lumen (Gas Replica)	175	0.210	874	\$3.57	(C)
7,000 lumen (Aspen)	175	0.210	874	\$3.57	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$3.56	(N)
14,000 lumen (Granville Acorn)	175	0.210	874	\$3.57	
14,000 lumen (Gas Replica)	175	0.210	874	\$3.57	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$3.97	(I)
9,500 lumen (Traditionaire)	100	0.117	487	\$3.97	
9,500 lumen (Granville Acorn)	100	0.128	532	\$4.10	(N)
9,500 lumen (Rectilinear)	100	0.117	487	\$3.97	
9,500 lumen (Aspen)	100	0.128	532	\$4.10	(I)
9,500 lumen (Holophane)	100	0.128	532	\$4.10	
9,500 lumen (Gas Replica)	100	0.128	532	\$4.10	(C)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$4.49	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$4.74	(I)

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

<u>Pole Description</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
Wood			
30 foot	W30	\$4.29	
35 foot	W35	\$4.34	(I)
40 foot	W40	\$5.21	

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NET MONTHLY BILL (Contd.)

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be \$0.034561 per kilowatt-hour which includes the base fuel cost rate stated below. The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out.

(I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.

(M)

3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider:
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(D)

(C)

(N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.

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2006.00172.

in Case No.

Issued: June 16, 2006

Effective: July 6, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

GENERAL CONDITIONS (Contd.)

- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced by the Company, the ordering Authority shall pay the Company the cost agreed upon under a separate contract.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a customer owned lighting unit becomes inoperative the cost of repair, replacement or removal of the unit will be at the customer's expense.
- (7) All lights installed on an overhead distribution system will be installed by Company under a separate contract with customer.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof and incorporated homeowners associations for the lighting of public streets and roads with Company lighting fixtures in underground distribution areas, where the customer elects to make a contribution for the installation of the fixture, mounting, pole and secondary wiring to obtain the rate/unit for the same size standard fixture (cobra head) in an overhead distribution area.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

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NET MONTHLY BILL (Contd.)

1. Base Rate

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
Decorative Fixtures					
<u>Mercury Vapor</u>					
7,000 lumen (Town & Country)	175	0.205	853	\$ 5.46	
7,000 lumen (Holophane)	175	0.210	874	\$ 5.46	(D)
7,000 lumen (Gas Replica)	175	0.210	874	\$ 5.46	
7,000 lumen (Aspen)	175	0.210	874	\$ 5.46	
<u>Metal Halide</u>					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.46	
14,000 lumen (Granville Acorn)	175	0.210	874	\$ 5.46	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$ 5.46	
<u>Sodium Vapor</u>					
9,500 lumen (Town & Country)	100	0.117	487	\$ 6.84	(D)
9,500 lumen (Holophane)	100	0.128	532	\$ 6.84	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 6.84	
9,500 lumen (Gas Replica)	100	0.128	532	\$ 6.84	
9,500 lumen (Aspen)	100	0.128	532	\$ 6.84	(D)
9,500 lumen (Traditionaire)	100	0.117	487	\$ 6.84	
9,500 lumen (Granville Acorn)	100	0.128	532	\$ 6.84	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.16	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$10.95	(D)
50,000 lumen (Setback)	400	0.471	1,959	\$10.95	(D)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (D)

3. Applicable Riders (D)

The following riders are applicable pursuant to the specific terms contained within each rider: (C)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

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GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.
- (7) The contribution only provides for replacement of these facilities due to occasional damage or premature malfunction. It does not cover replacement at end of life.

SERVICE REGULATIONS

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Schedule L-1
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Witness Responsible: J. R. Bailey

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(D)

RIDER SES

STANDBY OR EMERGENCY SERVICE

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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RIDER IS
INTERRUPTIBLE SERVICE RIDER

(D)

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Schedule L-1
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Witness Responsible: J. R. Bailey

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RIDER TES

(D)

THERMAL ENERGY STORAGE RIDER

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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KY.P.S.C. Electric No. 1
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RIDER PLM

PEAK LOAD MANAGEMENT PROGRAM

AVAILABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP, Rate TT, Special Contracts or Rate RTP. Customers whose billing period maximum 15-minute demands are less than 500 kilowatts will be eligible to participate in the Program by paying the incremental cost of installing the required metering. Customers must enter into a service agreement.

PROGRAM DESCRIPTION

The PLM Program is voluntary and offers Customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. Customer and Company will enter into a service agreement under this Rider which will specify the terms and conditions under which Customer agrees to reduce usage.

SERVICE OPTIONS

Customers may elect to participate in a PLM service option by either choosing to:

- a) reduce demand to a specified amount,
- b) reduce energy usage below their baseline, or
- c) sell the output of any Customer owned self generation to Company.

Upon approval of Company, Customers will have the choice to aggregate electric loads at multiple sites under the PLM Program.

The specific hours for the PLM service option will be mutually agreed upon between Customer and Company and specified in the service agreement.

Buy-through energy is the incremental energy the Customer has decided to purchase in lieu of managing their electric demand or energy usage as agreed upon between the Customer and the Company.

Demand Reduction Option

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to limit their demand to a Firm Load Level. Customer and Company will mutually agree on the amount of demand reduction, the conditions under which a request for reduction can be issued and the mechanism to be used to verify compliance. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of the bill credit will take into consideration the projected avoided cost of firm capacity and energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

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Demand Reduction Option (Contd.)

Company will provide buy-through energy, if available, to be billed based on price quotes (Buy-through Quotes) provided to Customer. Such Buy-through Quotes will include a) applicable transmission and distribution charges, generation charges based on out-of-pocket cost plus 10% and all applicable Riders and taxes included in the Standard Rate. Customer will be billed for all usage above the Firm Load Level at such Buy-through Quotes. If buy-through energy is not available and Customer fails to reduce its usage to the Firm Load Level, Customer will be billed for all usage above the Firm Load Level at \$10.00 per kilowatt-hour.

Energy Reduction Below Baseline

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to reduce energy usage below their Baseline Level. Reductions below the Baseline Level during such periods will be credited at the Energy Buy-Back Price Quotes (Price Quotes) provided to Customer by Company. Customer and Company will mutually agree upon a) the conditions under which such Price Quotes will be in effect, b) the time period by which Company will provide such Price Quotes to Customer and c) the time duration such Price Quotes will be in effect. The determination of such Price Quotes will take into consideration the projected avoided cost of energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

Customer will agree to provide Company with an estimate of the amount of load reduction to be provided during such periods. The Baseline Level must be mutually agreeable to both the Customer and the Company as representing the Customer's normal usage level during the time period that a notification could be given.

Generation Sell Back

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option, agree upon notification by Company, to sell the output of their electric generator to Company. Customer and Company will mutually agree on the amount of generation to be sold back and the conditions under which a request to run the generator can be issued. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of bill credit will be take into consideration projected avoided cost of firm capacity and energy and program administrative costs.

Suitable metering will be installed either by Customer or Company to measure the energy output of the Generator. Customer will provide suitable access and a suitable location for the installation of such metering equipment.

During such time period that the electrical output of the generator is being sold back to Company, the meter readings that are normally used to bill the Customer shall be adjusted by adding back the measured output of the generator.

BILLING UNDER STANDARD RATES

Customers served under Rates DS, Rate DT, Rate DP or Rate TT will be billed for all demand and energy used under the terms and conditions and at the rates and charges of the applicable Standard Rate. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement.

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PROGRAM EQUIPMENT

Company will provide Internet based communication software to be used to provide Customer with the Buy-through and Price Quotes. Customer will be responsible for providing its own Internet access.

Customer may purchase from either Company or other third-party suppliers any other necessary equipment or software packages to facilitate participation in this PLM Program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this PLM Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

CUSTOMER GENERATION

Customers electing to operate a Generator in parallel with Company's electric system will operate the Generator in such a manner as *not to cause undue fluctuations in voltage, harmonic disturbances, intermittent load characteristics or otherwise interfere* with the operation of Company's electric system. Company will grant such permission only in cases where it is satisfied that such parallel operation is practicable and without interference or probability of interference with the ability of Company to render adequate service to its other Customers.

TERM AND CONDITIONS

Except as provided in this Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates or Rate RTP will apply.

Any interruptions or reductions in electric service caused by outages of Company's facilities, other than as provided under the PLM Program, will not be deemed a Curtailment Period under this PLM Program. Agreements under the PLM Program will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable electric tariff and its applicable rate schedules. It will be Customer's responsibility to monitor and control their demand and energy usage before, during, and after a notice period under this Rider.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission

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RIDER EOP-RTP
ENERGY CALL OPTION PROGRAM

(D)

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**RIDER FAC
FUEL ADJUSTMENT CLAUSE**

(C)

APPLICABLE

In all territory service.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or (decreased) at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\text{Fuel Cost Adjustment} = \frac{F(m)}{S(m)} - \$0.021619 \text{ per kWh}$$

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

- (2) Fuel costs (F) shall be the cost of:
- (a) Fossil fuel consumed in the Company's plants plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
 - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) of this subsection, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus
 - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the Company to substitute for its own higher cost energy, and less
 - (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - (e) All fuel costs shall be based on a weighted-average inventory costing. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of fuel itself and necessary charges for transportation of fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.

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AVAILABILITY OF SERVICE (Contd.)

(f) As used herein, the term "forced outages" means all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection, or acts of the public enemy, then the Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.

(3) Sales (S) shall be determined in kilowatt-hours as follows:

Add:

- (a) net generation
- (b) purchases
- (c) interchange in

Subtract:

- (d) inter-system sales including economy energy and other energy sold on an economic dispatch basis.
- (e) total system losses

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**RIDER TCRM
TRANSMISSION COST RECOVERY MECHANISM**

(N)

APPLICABILITY

Applicable to all jurisdictional retail customers in the Company's electric service area.

Whenever the average cost of transmission charged to the Company by its Regional Transmission Organization is greater or less than the average cost of this transmission included per kilowatt-hour of sales in the base period, there shall be added to or subtracted from the net monthly bill to which this Rider is applicable, an amount determined by multiplying the number of kilowatt-hours consumed by the customer during the period for which the bill is rendered by a Rider TCRM adjustment.

1. The charge per kilowatt-hour delivered under the rate schedule to which this adjustment is applicable shall be increased or decreased during each year in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{T(y)}{S(y)} - \frac{T(b)}{S(b)}$$

where:

- a. "T" is the transmission related Midwest ISO Costs billed to Duke Energy Kentucky.
 - b. "S" is the kilowatt-hour sales.
 - c. "y" is the current year.
 - d. "b" is the base year.
2. Eligible transmission costs (T) shall be the most recent actual annual cost of:
 - a. Retail share of charges billed to Duke Energy Kentucky for Schedules 10, 10-FERC, 16, 17, and 24 of the Midwest ISO's Transmission Energy Market Tariff.
 - b. Retail share of net charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff.
 - c. Retail share of all other charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff excluding Day-Ahead and Real-Time energy costs, Revenue Sufficiency Guarantee Make-whole Payments, Virtual transactions, and Disputed amounts.
 - d. Eligible transmission expenses, T(b), included in the base year are \$12,047,693.
 - e. Sales, S(b), for the base year, the twelve months ending December 31, 2007, are 4,006,495,000 kWh.

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RIDER GP

GREEN POWER RIDER

APPLICABILITY

Applicable to all customers who wish to purchase "Green Power" from the Company-sponsored "Green Power" program. This rider will be available until December 31, 2008. (D)
(C)

DEFINITION OF GREEN POWER

Green Power includes energy generated from renewable and/or environmentally friendly sources, including: (C)
(D)

Wind, Solar Photovoltaic, Biomass Co-firing of Agricultural Crops and All energy crops, Hydro – as certified by the Low Impact Hydro Institute, Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-firing of All Woody Waste including mill residue, but excluding painted or treated lumber. (N)

Green Power includes the purchase of Renewable Energy Certificates and/or Carbon Credits from the sources described above.

GREEN POWER RATE

1. Rate RS: (N)

For all Green Power kWh, including carbon credits, purchased per month \$0.025 per kWh

Minimum kWh purchase is 200 kWh. Additional purchases to be made in 100 kWh block increments.

2. All other rates:

Individually calculated Green Power Rate per service agreement which may also include carbon credits.

NET MONTHLY BILL

Customers who participate under this Rider will be billed for electric service under all standard applicable tariffs including all applicable riders. (C)
(D)

The purchase of Green Power, under this rider, will be billed at the applicable Green Power Rate times the amount of Green Power kWh the customer has agreed to purchase per month. The customer's monthly bill will consist of the sum of all kWh billed at the applicable rate tariffs, including all applicable riders, and the agreed to Green Power kWh blocks billed at the applicable Green Power Rate. (N)

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TERMS AND CONDITIONS

1. The customer shall enter into a service agreement with Company that shall specify the amount in kWh blocks and price of Green Power to be purchased monthly. Customer shall give Company thirty (30) days notice prior to cancellation of participation in this rider. (D)
2. Funds from the Green Power Rate will be used to purchase Renewable Energy Certificates and/or carbon credits from renewable and environmentally friendly sources as described in the DEFINITION OF GREEN POWER section and for customer education, marketing, and costs of the Green Power Program.
3. Renewable Energy Certificate ("REC") shall mean tradable units that represent the commodity formed by unbundling the environmental attributes of a unit of renewable or environmentally friendly energy from the underlying electricity. One REC would be equivalent to the environmental attributes of one MWH of electricity from a renewable or environmentally friendly generation source.
4. Company may transfer RECs or Carbon Credits at the prevailing wholesale market prices to and from third parties, including affiliated Companies. (C)
5. Company reserves the right to terminate the Rider or revise the pricing or minimum purchase amount of the Rider after giving 60 days notice.
6. Carbon Credit shall mean tradable units that represent the reduction of the release of a greenhouse gas in the equivalent of one ton CO₂.

Company may obtain carbon credits from purchased power, company owned generation, or purchased with funds collected from this rider.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations, as filed with the Kentucky Public Service Commission.

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139 East Fourth Street
Cincinnati, Ohio 45202

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RIDER BDP

(N)

BACKUP DELIVERY POINT CAPACITY RIDER

BACKUP DELIVERY POINT (TRANSMISSION/DISTRIBUTION) CAPACITY

The Company will normally supply service to one premise at one standard voltage at one delivery point and through one meter to a Non-Residential Customer in accordance with the provisions of the applicable rate schedule and the *Electric Service Regulations*. Upon customer request, Company will make available to a Non-Residential Customer additional delivery points in accordance with the rates, terms and conditions of this Rider BDP.

NET MONTHLY BILL

1. Connection Fee
The Connection Fee applies only if an additional metering point is required and will be based on customer's most applicable rate schedule.
2. Monthly charges will be based on the unbundled distribution and/or transmission rates of the customer's most applicable rate schedule and the contracted amount of backup delivery point capacity.
3. The Customer shall also be responsible for the acceleration of costs, if any, that would not have otherwise been incurred by Company absent such request for additional delivery points. The terms of payment may be made initially or over a pre-determined term mutually agreeable to Company and Customers that shall not exceed the minimum term. In each request for service under this Rider, Company engineers will conduct a thorough review of the customer's request and the circuits affected by the request. The customer's capacity needs will be weighed against the capacity available on the circuit, anticipated load growth on the circuit, and any future construction plans that may be advanced by the request.

SPECIAL TERMS AND CONDITIONS

The Company will provide such backup delivery point capacity under the following conditions:

1. Company reserves the right to refuse backup delivery capacity to any Customer where such backup delivery service is reasonably estimated by Company to impede or impair current or future electric transmission or distribution service.
2. The amount of backup delivery point capacity shall be mutually agreed to by the Company and the Customer because the availability of specific electric system facilities to meet a Customer's request is unique to each service location.
3. System electrical configurations based on Customer's initial delivery point will determine whether distribution and/or transmission charges apply to Customer's backup delivery point.
4. In the event that directly assigned facilities are necessary to attach Customer's backup delivery point to the joint transmission or distribution systems, Company shall install such facilities and bill Customer the Company's full costs for such facilities and installations.

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Duke Energy Kentucky
139 East Fourth Street
Cincinnati, Ohio 45202

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SPECIAL TERMS AND CONDITIONS (Contd.)

5. Energy supplies via any backup delivery point established under this Rider BDP will be supplied under the applicable rate tariff and/or special contract.
6. Company and the Customer shall enter into a service agreement with a minimum term of five years. This service agreement shall contain the specific terms and conditions under which Customer shall take service under this Rider BDP.
7. Company does not guarantee uninterrupted service under this rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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RIDER NM
NET METERING RIDER

AVAILABILITY

Net Metering is provided upon request and on a first-come, first-served basis. Net Metering is available to customers with a capacity of 15 kW or less. At its sole discretion, Company may provide Net Metering to other customers on a case-by-case basis. The total nameplate rating of all customer-generators under net metering is limited to one-percent (1%) of the Company's total peak system load. (C)

DEFINITION

"Net Metering" means measuring the difference in an applicable billing period between the amount of electricity supplied by the Company to a customer who generates electricity and the amount of electricity generated by such customer-generator that is delivered to Company.

BILLING

The measurement of net electricity supplied by the Company and delivered to the Company shall be calculated in the following manner. The Company shall measure the difference between the amount of electricity delivered by the Company to the customer and the amount of electricity generated by the customer and delivered to the Company during the billing period, in accordance with normal metering practices and using a bi-directional meter where feasible. If the kWh delivered by the Company to the customer exceeds the kWh delivered by the customer to the Company during the billing period, the customer shall be billed for the kWh difference. If the kWh generated by the customer and delivered to the Company exceeds the kWh supplied by the Company to the customer during the billing period, the customer shall be credited in the next billing cycle for the kWh difference. Any unused credit when the customer closes his account will be granted to the Company.

Bill charges and credits will be in accordance with the same standard tariff that would apply if the customer were not a customer-generator. If time-of-use metering is used, the electricity fed back to the electric grid by the customer shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-use billing agreement currently in place.

METERING:

The customer agrees to allow the Company to install, at the customer's expense, a single, bi-directional meter, for billing purposes, between the Company's system and the customer. If any additional meter, meters or distribution upgrades are needed to monitor the flow in each direction, including metering for time-of-use, this equipment shall be installed at the customer's expense.

TERMS AND CONDITIONS

In order to be eligible for Net Metering, the customer's generator must meet the following requirements:

- a. Use solar power;
- b. The generation equipment must be located on the customer's premises and owned by the customer;
- c. The generator must operate in parallel with the Company's distribution facilities;

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TERMS AND CONDITIONS (Contd.)

- d. The customer's generation must be intended primarily to offset part or all of the customer's requirements for electricity; and
- e. The name plate rating of the customer's generator must not exceed 15 kW;
- f. The customer must sign an interconnection agreement with the Company, a sample of which is included with this tariff schedule as Appendix A.

A participating customer will install, at the customer's expense, all control and protective equipment required to ensure safe and reliable interconnection with the Company's electrical system. The Company shall at all times have immediate access to the customer's metering, control and protective equipment. The net metering system used by a customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the American National Standards Institute, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories, Inc. A customer's electric generating equipment that meets the requirements of this tariff can be transferred to another owner or installed at another location, provided that the customer notifies the Company and the Company verifies that the new location meets the tariff requirements.

The customer shall reimburse the Company for all interconnection costs that the Company reasonably incurs.

The customer-generator must provide a voltage wave shape that is a 60 Hertz sine wave that is clear, free from distortion, readable and otherwise compatible with the Company's equipment. The voltage amplitude must be compatible with the service voltage delivered by the Company. Any characteristic of the customer-generator that degrades the quality of service provided to other Company customers will not be permitted.

The customer agrees that the Company shall not be liable for any damage to, or breakdown of, the customer's equipment operated in parallel with the Company's electric system.

The customer shall agree to release, indemnify, and hold harmless the Company from any and all claims for injury to persons or damage to property due to or in any way connected with the operation of the customer's said generators.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and the Company's General Terms and Conditions, as filed with the Kentucky Public Service Commission.

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Appendix A
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INTERCONNECTION AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF PHOTOVOLTAIC EQUIPMENT 15 kW OR SMALLER

This Interconnection Agreement is made and entered into this _____ day of _____, 20____, by and between DUKE ENERGY KENTUCKY ("Company"), and _____ ("Customer").

Customer is installing or has installed photovoltaic equipment including an inverter used to interconnect and operate in parallel with the Company's system, and described as follows:

Location: _____

Inverter Power Rating: _____

Inverter Manufacturer and Model Number: _____

Description of electrical installation of inverter and associated electrical equipment:

As shown on a single line diagram attached as "Exhibit A"

Or

Described as follows: _____

Requirement for Customer owned utility-interface disconnect switch:

Not required

Required. Must be in a location immediately accessible to Company at all times.

Customer agrees that the installation has been designed and installed to meet the requirements of IEEE Standard 1547-2003, "Standard for Interconnecting Distributed Resources with Electric Power Systems" and all applicable requirements of the National Electrical Code and local building codes.

Customer agrees that the inverter has been certified by Underwriters Laboratories (UL) as having satisfied the testing requirements of UL Standard 1741, "Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems."

Company agrees to allow Customer to interconnect the inverter and operate it in parallel with the Company's system.

Customer's use of the inverter and associated electrical equipment is subject to the Company's ELECTRIC SERVICE REGULATIONS.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first above written.

DUKE ENERGY KENTUCKY

Customer

By: _____

By: _____

Title: _____

Title: _____

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Section 1, Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Electric Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for electricity used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).
- E. Where electric service was disconnected at the pole because the Company was unable to gain access to the meter, the reconnection charge shall be sixty-five dollars (\$65.00). If the gas service is also reconnected the charge shall be ninety dollars (\$90.00). (N)
- F. If the Company receives notice after 12:30 p.m. of a customer's desire for same day reinstatement of service and if the reconnection cannot be performed during normal business hours, the after hour reconnection charge for connection at the meter shall be fifty dollars (\$50.00). The after hour charge for reconnection at the pole shall be ninety dollars (\$90.00). (N)
- G. If a Company employee, whose original purpose was to disconnect the service, has provided the customer a means to avoid disconnection, service which otherwise would have been disconnected shall remain intact, and no reconnection charge shall be assessed. However, a collection charge of fifteen dollars (\$15.00) may be assessed. (N)

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by Sandra P. Meyer, President

Effective: July 6, 2006

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 93
Cancels and Supersedes
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**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-100 kW OR LESS**

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

Purchase Rate shall be \$0.03078/kWh for all kilowatt-hours delivered. (I)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

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Cancels and Supersedes
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**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-GREATER THAN 100 kW**

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

The Purchase Rate for all kilowatt-hours delivered shall be the locational marginal price for power purchased through the Midwest ISO day-ahead energy market, inclusive of the energy, congestion and losses charges, delivered to the Duke Energy Kentucky commercial price node. (C)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

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**RATE RTP
REAL TIME PRICING PROGRAM**

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis through December 31, 2008. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (C)

PROGRAM DESCRIPTION

The RTP Program is voluntary and offers Customers the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods and adding new load during lower cost pricing periods or to learn about market pricing. Binding Price Quotes will be sent to each Customer on a day-ahead basis. The program is intended to be bill neutral to each Customer with respect to their historical usage through the use of a Customer Baseline Load (CBL) and the Company's Standard Offer Rates.

CUSTOMER BASELINE LOAD

The CBL is one complete year of Customer hourly load data that represents the electricity consumption pattern and level of the Customer's operation under the Standard Rate Schedule. The CBL is the basis for achieving bill neutrality for Customers billed under this Rate RTP, and must be mutually agreeable to both the Customer and the Company as representing the Customer's usage pattern under the Standard Rate Schedule (non-RTP). In the event that the Customer's electricity consumption pattern differs significantly from the established CBL, the Company may renegotiate the CBL with the Customer. Agreement on the CBL is a requirement for participation in the RTP Program.

RTP BILLING

Customers participating in the RTP Program will be billed monthly based on the following calculation:

$$\text{RTP Bill} = \text{BC} + \text{PC} + \sum_{t=1}^n \{ (\text{CC}_t + \text{ED}_t + \text{ASC}_t) \times (\text{AL}_t - \text{CBL}_t) \} \quad \text{(D)}$$

Where:

BC = Baseline Charge
PC = Program Charge (D)

CC_t = Commodity Charge for hour t
ED_t = Energy Delivery Charge for hour t
ASC_t = Ancillary Services Charge for hour t
AL_t = Customer Actual Load for hour t
CBL_t = Customer Baseline Load in hour t
n = total number of hours in the billing period
t = an hour in the billing period

BASELINE CHARGE

The Baseline Charge is independent of Customer's currently monthly usage, and is designed to achieve bill neutrality with the Customer's standard offer tariff if no change in electricity usage pattern occurs (less applicable program charges). The Baseline Charge is calculated at the end of the billing period and changes each billing period to maintain bill neutrality for a Customer's CBL.

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BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

$$BC = (\text{Standard Bill @ CBL})$$

Where:

BC = Baseline Charge
Standard Bill @ CBL = Customer's bill for a specific month on the applicable Rate Schedule including applicable Standard Contract Riders using the CBL to establish the applicable billing determinants.

The CBL shall be adjusted to reflect applicable metering adjustments under the Rate Schedule. All applicable riders shall be excluded from the calculation of the Baseline Charge.

(C)
(D)

PRICE QUOTES

The Company will send to Customer, within two hours after the wholesale prices are published by the Midwest Independent Transmission System Organization, Inc. ("Midwest ISO") each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

(C)

The Company may send more than one-day-ahead Price Quotes for weekends and holidays identified in Company's tariffs. The Company may revise these prices the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is Customer's responsibility to inform Company of any failure to receive the Price Quotes the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL:

$$\begin{aligned} \text{For kWh}_t \text{ above the CBL}_t, \quad CC_t &= \text{MVG}_t \times \text{LAF} \\ \text{For kWh}_t \text{ below the CBL}_t, \quad CC_t &= \text{MVG}_t \times 80\% \times \text{LAF} \end{aligned}$$

Where:

LAF = loss adjustment factor
= 1.0530 for Rate TS
= 1.0800 for Rate DP
= 1.1100 for Rate DS
MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge (Credit) shall be applied on a hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Service	\$0.006074 per kW Per Hour
Primary Service	\$0.005559 per kW Per Hour
Transmission Service	\$0.002015 per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:

- Scheduling, System Control & Dispatch
- Reactive and Voltage Control
- Regulation and Frequency Response
- Spinning Reserve
- Supplemental Reserve

The applicable hourly Ancillary Services Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Delivery.....	\$0.000760 per kW Per Hour
Primary Delivery.....	\$0.000740 per kW Per Hour
Transmission Delivery	\$0.000721 per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(N)

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PROGRAM CHARGE

Company will provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$150.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

SPECIAL TERM AND CONDITIONS

Except as provided in this Rate RTP, all terms, conditions, rates, and charges outlined in the Standard Rate Schedule will apply. Participation in the RTP Program will not affect Customer's obligations for electric service under the Standard Rate Schedule.

Customers who terminate their service agreement under this Rider RTP after the initial one (1) year term shall be ineligible to return to the program for twelve (12) months from the termination date.

The primary term of service is one (1) year consisting of a consecutive twelve month period.

Customers returning to the standard tariff shall have any historical demands in excess of the CBL, waived for purposes of calculating applicable billing demands.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

RECEIVED

JUN 16 2006

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

PUBLIC SERVICE
COMMISSION

KY.P.S.C. Electric No. 1
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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

When a prospective customer desires electric service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

2. Customer's Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any electric service for the purpose mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of electricity.
- (d) Use of electricity, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the electric service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within twenty-four (24) hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

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SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

4. Connection of Service.

Except as provided in SECTION 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and the Commission's regulations have been met. (C)

5. Change of Address to Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three days, to discontinue service.

If Customer moves to an address at which he requires electric service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have ~~has~~ service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice. (C)

6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors of administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters, or transformers, on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service drop to Customer's service terminals.

Company installs its overhead service drop, supplies one set of service drop attachment fittings and makes connection to Customer's service terminals.

The rates for each class of service provided for in the Rate Schedules contemplate the furnishing of service to one location or premise through one standard service connection. Where Customer is receiving service through more than one standard service connection, Company will calculate and render a separate bill for service furnished through each service connection.

Subject to the rules, conditions and riders covering the installation of service connections and extensions, Company will make one standard service connection to Customer's installation; if three phase service is required an additional connection is necessary, both will be considered as one standard service connection.

2. Company's Property and Protection Thereof.

All meters, and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

3. Relocation of Facilities

When a customer or private party requests the Company to relocate the Company's facilities or a customer's service entrance wiring, such requesting party shall pay all expenses related to such relocation.

(N)

When the Company relocates its facilities or a customer's service entrance wiring at the request of a governmental entity (or Administrating Agency) and if the relocation was related to a project financed through transportation improvement district funding, joint economic development district funding, tax increment funding, or similar quasi-public funding, then the governmental entity (or Administrating Agency) shall pay for the cost of relocating Company's facilities in direct proportion to the contributions received from the other funding sources.

(N)

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RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to electric service other than three phase service, for all domestic purposes in private residences, single occupancy apartments and separately metered common use areas of multi-occupancy buildings in the entire territory of the Company where distribution lines are adjacent to the premises to be served.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multi-occupancy building are served through one meter and the common use area is metered separately, the kilowatt-hour rate will be applied on a "per residence" or "per apartment" basis, however, the customer charge will be based on the number of installed meters.

Where a portion of a residential service is used for purposes of a commercial or public character, Rate DS, Service At Distribution Voltage, is applicable to all service. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this Rate will be applied to the residential service, if the service qualifies hereunder.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate				
(a) Customer Charge	\$3.73	\$5.00	per month	(I)
(b) Energy Charge				
All kilowatt hours Summer Rate		\$0.081299	per kWh	
First 1,000 kilowatt hours	6.562¢	\$0.0	per kWh	(I)
— Additional kilowatt hours	6.873¢	\$0.06873	per kWh	(C)
— Winter Rate				
First 1,000 kilowatt hours	6.562¢	\$0.06562	per kWh	(D)
— Additional kilowatt hours	5.059¢	\$0.05059	per kWh	(D)
2. Fuel Cost Adjustment	Applicable Riders			(D)
All kilowatt hours shall be subject to an adjustment per kilowatt-hour in accordance with "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:				(C)
Sheet No. 78, Rider DSMR, Demand Side Management Rider				
Sheet No. 80, Rider FAC, Fuel Adjustment Clause				(N)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric				
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism				

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NET MONTHLY BILL (Contd.)

~~3. DSM Charge~~

~~All kilowatt-hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for residential service. In addition, the EAP charge shown on Rider DSMR shall be added to the monthly Customer Charge shown above.~~

(D)

The minimum charge shall be the Customer Charge as shown above.

BILLING PERIODS

For purposes of the administration of the above Base Rate charges, the summer period is that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

This rate is available upon application in accordance with the Company's Service Regulations.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at the Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, and all applicable riders, the fuel cost adjustment charges and the DSM charge, shall not exceed ~~19.033 cents~~ \$0.235249 per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

(C)
(D)

1. Base Rate

(a) Customer Charge per month

Single Phase Service	\$ 5.00 \$ <u>7.50</u> per month	<u>(I)</u>
Three Phase Service	\$10.00 \$ <u>15.00</u> per month	

(b) Demand Charge

First 15 kilowatts	\$ 0.00 per kW	
Additional kilowatts	\$ 6.53 \$ <u>8.00</u> per kW	<u>(I)</u>

(c) Energy Charge

First 6,000 kWh	6.896¢ \$ <u>0.080731</u> per kWh	
Next 300 kWh/kW	4.240¢ \$ <u>0.049510</u> per kWh	<u>(I)</u>
Additional kWh	3.497¢ \$ <u>0.040922</u> per kWh	

2. Fuel Cost Adjustment Applicable Riders

All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

3. DSM Charge

All kilowatts and kilowatt hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service. (D)

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NET MONTHLY BILL (Contd.)

The minimum charge shall be the Customer Charge shown above.

For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed ~~44.295 cents~~ \$0.139607 per kilowatt-hour plus the all applicable fuel cost adjustment and DSM Charges riders.

(D)
(C)
(D)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than the higher of the following:

- a) 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months; or
- b) One (1) kilowatt for single phase secondary voltage service and five (5) kilowatts for three phase secondary voltage service.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

- a. Continuous measurement

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POWER FACTOR ADJUSTMENT

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or
- b. Testing
 - the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by a minimum notice of either the customer or the Company as prescribed by the Company's Service Regulations.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 41
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RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for customers with an average monthly demand of 500 kilowatts or greater where the Company specifies service at a nominal distribution system voltage of 34,500 volts or lower, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt of demand abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge			
Single Phase	-\$5.00	\$ 7.50	per month (I)
Three Phase	\$40.00	\$ 15.00	per month (I)
Primary Voltage Service		\$100.00	per month (I)
(b) Demand Charge			
Summer			
On Peak kW	-\$9.74	\$ 11.56	per kW (I)
Off Peak kW	-\$1.00	\$ 1.19	per kW (I)
Winter			
On Peak kW	-\$8.03	\$ 10.15	per kW (I)
Off Peak kW	-\$1.00	\$ 1.19	per kW (I)
(c) Energy Charge			
All kWh	-3.519¢	\$0.041927	per kWh (I)

2. ~~Fuel Adjustment Cost~~ Applicable Riders

~~All kilowatt hours shall be subject to an adjustment per kilowatt-hour in accordance with the~~ (C)
~~"FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following~~ (D)
riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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NET MONTHLY BILL (Contd.)

~~3. DSM Charge~~

~~All kilowatts and kilowatt hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service.~~

(D)

The minimum charge shall be the Customer Charge, as stated above.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

For purposes of administration of the above Base Rate charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday, as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, kilowatt hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

If the customer furnishes primary voltage transformers and appurtenances, in accordance with the Company's specified design and maintenance criteria, the Demand Charge, as stated above, shall be reduced as follows:

First 1,000 kW of On Peak billing demand at ~~\$0.50~~ \$0.65 per kW.
Additional kW of On Peak billing demand at ~~\$0.35~~ \$0.50 per kW.

(I)

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

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POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a period of three (3) years for secondary voltage service and five (5) years for primary voltage service terminable thereafter by a minimum notice of either the customer or the Company as follows:

- (1) For secondary voltage service customers, as prescribed by the Company's Service Regulations.
- (2) For primary voltage service customers with a most recent twelve month average demand of less than 10,000 kVA or greater than 10,000 kVA, written notice of thirty (30) days or twelve (12) months respectively, after receipt of the written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of the administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's demand is less than 500 kilowatts and the Company expects the customer's demand to remain below 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage shall be applicable initiating with the June revenue month billing and shall continue until the term of service of that rate is fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly greater than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

Applicable to electric service for heating when customer's wiring is so arranged that heating service can be furnished at one point of delivery and can be metered separately from all other types of service or to any public school, parochial school, private school, or church when supplied at one point of delivery, provided permanently connected and regularly used electrical equipment is installed in compliance with the Company specifications as the primary source of heating or heating and cooling the atmosphere to temperatures of human comfort; and provided all other electrical energy requirements are purchased from the Company. No single water heating unit shall be wired that the demand established by it can exceed 5.5 kilowatts unless approved by the Company.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

A. Winter Period

1. Base Rate

(a) Customer Charge				
Single Phase Service	\$5.00	\$ 7.50	per month	(I)
Three Phase Service	\$40.00	\$ 15.00	per month	(I)
Primary Voltage Service		\$ 100.00	per month	
(b) Demand Charge				
All kW		\$0.066960	per kW	(D)
(be) Energy Charge				
All kWh	5.150¢	\$0.067222	per kWh	(I)

2. Fuel Cost Adjustment Applicable Riders

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 78, Rider DSMR, Demand Side Management Rider (D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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NET MONTHLY BILL (Contd.)

~~3. DSM Charge~~

~~All kilowatt hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service.~~

(D)

The minimum charge shall be the Customer Charge stated above.

B. Summer Billing Period

For energy used during the summer period, the kilowatt demand and kilowatt-hour use shall be billed in accordance with the provisions of the applicable Rate DS or Rate DP.

For purposes of administration of the above charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

DEMAND

Customer's Demand will be the kilowatts as determined from Company's meter for the fifteen-minute period of customer's greatest use during the month or as calculated by the Company, but not less than five (5) kilowatts.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

Applicable to electric service required for sports installations, such as football and baseball fields, swimming pools, tennis courts, and recreational areas, promoted, operated and maintained by non-profit organizations, such as schools, churches, civic clubs, service clubs, community groups, and municipalities, where such service is separately metered and supplied at one point of delivery, except, not applicable to private sports installations which are not open to the general public. This rate is available only to customers to whom service was supplied in accordance with its terms on June 25, 1981.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt hours are abbreviated as kWh):

1. Base Rate
 - (a) Customer Charge \$5.00 ~~\$7.50~~ per month (I)
 - (b) Energy Charge ~~8.590¢~~ \$0.093751 per kWh (I)
2. ~~Fuel Cost Adjustment~~

~~All kilowatt hours shall be subject to a fuel cost adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ (D)
2. Applicable Riders (C)

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism
3. ~~DSM Charge~~

~~All kilowatt hour shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service.~~ (D)

The minimum charge shall be a sum equal to 1.5% of the Company's installed cost of transformers and metering equipment required to supply and measure service, but not less than the customer charge whether service is on or disconnected.

RECONNECTION CHARGE

A charge of ~~\$10.00~~ \$25.00 is applicable to each season to cover in part the cost of reconnection of service. (I)

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

Applicable to electric service in the Company's entire territory for small fixed, electric load which can be served by a standard service drop from the Company's existing secondary distribution system where it is considered by the Company to be impractical to meter, such as service locations for bus shelters, telephone booths, navigation lights and beacons, and cable television power supplies. (C)

TYPE OF SERVICE

Alternating current 60 Hz, at nominal voltages of 120, 120/240 or 120/208 volts, single phase, unmetered. Service of other characteristics, where available, may be furnished at the option of the Company.

NET MONTHLY BILL

Computed in accordance with the following charges and based upon calculated energy use determined by the rated capacity of the connected equipment:

1. Base Rate

(a) For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment \$0.06794 \$0.070656 per kWh (I)

(b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment \$0.07828 \$0.081562 per kWh (I)

~~2. Fuel Cost Adjustment~~

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (D)~~

~~3. DSM Charge~~

~~All kilowatt hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service. (D)~~

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (C)

Sheet No. 78, Rider DSMR, Demand Side Management Rider

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

Minimum: ~~\$2.59~~ \$2.69 per Fixed Load Location per month. (I)

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE PROVISIONS

- (1) Each separate point of delivery of service shall be considered a Fixed Load Location.
- (2) Only one supply service will be provided to a customer under this Schedule as one Fixed Load Location.
- (3) The customer shall furnish switching equipment satisfactory to the Company.
- (4) The calculated energy use per month shall be determined by the Company taking into consideration the size and operating characteristics of the load.
- (5) The customer shall notify the Company in advance of every change in connected load or operating characteristics, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of any such changes, the Company reserves the right to refuse to serve the Fixed Load thereafter under this Schedule, and shall be entitled to bill the customer retroactively on the basis of the changed load and operating characteristics for the full period such load was connected.

TERM OF SERVICE

One (1) year, terminable thereafter on thirty (30) days written notice by either the customer or the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at nominal primary distribution system voltages of 12,500 volts or 34,500 volts, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed \$0.19033 per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge					
Primary Voltage Service (12.5 or 34.5 kV)		\$	100.00	per month	
(b) Demand Charge					
All kilowatts	\$6.08	\$	<u>7.50</u>	per kW	(I)
(c) Energy Charge					
First 300 kWh/kW	4.252¢	\$	<u>0.051707</u>	per kWh	(I)
Additional kWh	3.510¢	\$	<u>0.043446</u>	per kWh	(I)

~~2. Fuel Cost Adjustment~~

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ (D)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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NET MONTHLY BILL (Contd.)

3. ~~DSM Charge~~

~~All kilowatts and kilowatt hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential service.~~

(D)

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

a. Continuous measurement

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or

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POWER FACTOR ADJUSTMENT (Contd.)

b. Testing

- the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter as prescribed by the Company's Service Regulations.

- (1) For customers with a most recent twelve month average demand of less than 10,000 kVA, thirty days written notice.
- (2) For customers with a most recent twelve month average demand of 10,000 kVA or greater, written notice twelve months in advance of the desired termination date.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
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RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at a nominal transmission system voltage of 69,000 volts or higher, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and the customer furnishes and maintains all transformation equipment and appurtenances necessary to utilize the service.

Service is applicable for ultimate use by the customer and is not applicable for standby, supplemental, emergency or resale service.

TYPE OF SERVICE

Alternating current 60 Hz, three phase at Company's standard transmission voltage of 69,000 volts or higher.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate				
(a) Customer Charge		\$ 500.00	per month	
(b) Demand Charge				
Summer				
On Peak kW	\$6.52	\$ 7.29	per kW	(I)
Off Peak kW	\$4.00	\$ 1.11	per kW	
Winter				
On Peak kW	\$5.33	\$ 5.98	per kW	(I)
Off Peak kW	\$4.00	\$ 1.11	per kW	
(c) Energy Charge				
All kWh	3.485¢	\$0.038697	per kWh	(I)
2. Fuel Adjustment Cost				
All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the				(D)
"FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.				

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NET MONTHLY BILL (Contd.)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(C)
(N)

3. DSM-Charge

~~All kilowatts and kilowatt hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential transmission service.~~

(D)

The minimum charge shall be not less than fifty percent (50%) of the highest demand charge established during the preceding eleven (11) months.

For purposes of administration of the above charges, the summer is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - all hours Monday through Friday not included above plus all day Saturday and Sunday as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased one and one-half percent (1.5%) for billing purposes.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

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POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter by either the customer or the Company as follows:

- (1) Thirty (30) days after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of less than 10,000 kW.
- (2) Twelve (12) months after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of greater than 10,000 kW.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

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**RIDER GSS
GENERATION SUPPORT SERVICE**

APPLICABILITY

Applicable to any general service customer having generation equipment capable of supplying all or a portion of its power requirements for other than emergency purposes and who requests supplemental, maintenance or backup power.

TYPE OF SERVICE

Service will be rendered in accordance with the specifications of the Company's applicable distribution voltage service or transmission voltage service tariff schedules.

NET MONTHLY BILL

The provisions of the applicable distribution service or transmission service tariff schedule and all applicable riders shall apply to Supplemental Power Service, Maintenance Power Service and Backup Power Service except where noted otherwise. The monthly Administrative Charge and the Monthly Reservation Charges as shown shall apply only to Maintenance Power Service and Backup Power Service.

1. Administrative Charge
The Administrative Charge shall be \$50 plus the appropriate Customer Charge.
2. Monthly Distribution Reservation Charge
 - a. Rate DS - Secondary Distribution Service \$2.9056 \$2.6893 per kW (R)
 - b. Rate DT - TOU Secondary Distribution Service \$2.9056 \$2.4716 per kW (R)
 - c. Rate DP - Primary Distribution Service \$2.4570 \$2.8819 per kW (R)
 - d. Rate TT - Transmission Service \$0.4440 \$0.0000 per kVA (R)
3. Monthly Transmission Reservation Charge
 - a. Rate DS - Secondary Distribution Service \$1.0230 \$1.3153 per kW (R)
 - b. Rate DT - TOU Secondary Distribution Service \$1.0230 \$1.3097 per kW (R)
 - c. Rate DP - Primary Distribution Service \$1.4990 \$1.8710 per kW (R)
 - d. Rate TT - Transmission Service \$1.2480 \$1.2355 per kVA (R)
4. Monthly Ancillary Services Reservation Charge
 - a. Rate DS, - Secondary Distribution Service \$0.5240 per kW
 - b. Rate DT - TOU Secondary Distribution Service \$0.5240 per kW
 - c. Rate DP - Primary Distribution Service \$0.5240 per kW
 - d. Rate TT - Transmission Service \$0.4550 per kVA
5. Supplemental Power Service
The customer shall contract with the Company for the level of demand required for Supplemental Power Service. All Supplemental Power shall be billed under the terms and charges of the Company's applicable full service tariff schedules. All power not specifically identified and contracted by the customer as Maintenance Power or Backup Power shall be deemed to be Supplemental Power.

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NET MONTHLY BILL (Contd.)

6. Maintenance Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Maintenance Power. The contracted level of Maintenance Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Maintenance Power is required. The customer's Maintenance Power requirements for each generating unit must be submitted to the Company at least sixty (60) days prior to the beginning of each calendar year. Within thirty (30) days of such submission, the Company shall respond to the customer either approving the Maintenance Power schedule or requesting that the customer reschedule those Maintenance Power requirements. For each generating unit, the customer may elect Maintenance Power Service for up to thirty (30) days in any twelve month period with no more than two (2) days consecutively during the summer billing periods of June through September and those must be during the Company's off-peak periods. The customer may request an adjustment to the previously agreed upon Maintenance Power schedule up to three weeks prior to the scheduled maintenance dates. The adjusted dates must be within one (1) week of the previously scheduled dates and result in a scheduled outage of the same seasonal and diurnal characteristics as the previously scheduled maintenance outage. The Company shall respond to the customer's request for an adjustment within one (1) week of that request. The Company may cancel a scheduled Maintenance Power period, with reason, at any time with at least seven (7) days notice to the customer prior to the beginning of a scheduled maintenance outage if conditions on the Company's electrical system warrant such a cancellation. Any scheduled Maintenance Power period cancelled by the Company shall be rescheduled subject to the mutual agreement of the Company and the customer.

Billing -

All power supplied under Maintenance Power Service shall be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision of the Company's full service tariff schedules shall be waived; and 2) the demand charge for Generation shall be fifty (50) percent of the applicable full service tariff Generation demand charge prorated by the number of days that Maintenance Power is taken.

7. Backup Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Backup Power. The contracted level of Backup Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Backup Power is required. The customer shall notify the Company by telephone within one-hour of the beginning and end of the outage. Within 48 hours of the end of the outage, the customer shall supply written notice to the Company of the dates and times of the outage with verification that the outage had occurred.

Billing -

All Backup Power will be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision, if any, of the Company's full service tariff schedules is waived; and 2) the demand charge for Generation shall be the applicable full service tariff schedule Generation demand charge as shown in Appendix A prorated by the number of days that Backup Power is taken, except that where some of the customer's load requirement for Backup Power and Supplemental Power is 5 MW or greater and such requirement represents new load for ULH&P subsequent to January 1, 2002, the customer's generation charge for energy and demand shall be based on the provisions of Rate RTP-M, Sheet No. 59.

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NET MONTHLY BILL (Contd.)

8. Monthly Reservation Charges

The Monthly Distribution Reservation Charge, Monthly Transmission Reservation Charge and the Monthly Ancillary Services Charge items shown above shall be based on the greater of the contracted demand for Maintenance Power or Backup Power.

METERING

Recording meters, as specified by the Company, shall be installed where necessary, at the customer's expense. All metering equipment shall remain the property of the Company.

DEFINITIONS

Supplemental Power Service – a service which provides distribution and/or transmission capacity to the customer as well as the energy requirements for use by a customer's facility in addition to the electric power which the customer ordinarily generates on its own.

Maintenance Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer during scheduled outages or interruptions of the customer's own generation.

Backup Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer to replace energy generated by the customer's own generation during an unscheduled outage or other interruption on the part of the customer's own generation.

TERMS AND CONDITIONS

The term of contract shall be for a minimum of five (5) years.

The customer shall be required to enter into a written Service Agreement with the Company which shall specify the type(s) of service required, notification procedures, scheduling, operational requirements, the amount of deviation from the contract demand to provide for unavoidable generation fluctuations resulting from normal mechanical factors and variations outside the control of the customer and the level of demand and energy required.

The customer is required to adhere to the Company's requirements and procedures for interconnection as set forth in the Company's publication, "System Protection Requirements & Guidelines for Connection & Parallel Operation of Non-Utility Generators" which is provided to customers requesting service under this rider.

The cost of any additional facilities associated with providing service under the provisions of this rider shall be borne by the customer.

Changes in contracted demand levels may be requested by the customer once each year at the contract anniversary date. This request shall be made at least thirty (30) days in advance of the contract anniversary date.

The Company may enter into special agreements with customers which may deviate from the provisions of this rider. Such agreements shall address those significant characteristics of service and cost which would influence the need for such an agreement.

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RATE RTP - M
REAL TIME PRICING – MARKET-BASED PRICING

APPLICABILITY

Applicable to all new Customers as of January 1, 2002 having estimated service requirements of 5,000 kilowatts or more and to existing Customers whose service requirements increase by 5,000 kilowatts or more. Where an existing Customer's requirements increase by 5,000 kilowatts or more, that Customer's incremental load will be subject to the provisions of this rate schedule.

PROGRAM DESCRIPTION

Under the RTP-M program, binding Price Quotes will be sent to each Customer on a day-ahead basis. Customers have the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods or adding new load during lower cost pricing periods.

CUSTOMER CHARGE

The following Customer Charges will be assessed:

Secondary Service \$40.00 \$ 15.00 per month
Primary Service \$100.00 per month
Transmission Service \$500.00 per month

(I)

PRICE QUOTES

The Company will send to Customer, by 3:00 p.m. each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

The Company may send more than one day ahead Price Quotes for weekends and holidays identified in the Company's tariffs. The Company may revise these prices by 3:00 p.m. the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is the Customer's responsibility to inform the Company of any failure to receive the Price Quotes by 5:00 p.m. the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

$$CC_t = MVG_t \times LAF$$

Where:

LAF = loss adjustment factor
= 1.0530 for Transmission Service
= 1.0800 for Primary Service
= 1.1100 for Distribution Service
MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

Customers will have the option to enter into a price management agreement whereby the Commodity Charge (CC) for a specified time period (Contract Period) will be fixed at as specified level (Contract Price). Company will have the final determination to enter into a Price Management Contract and the term and structure of the pricing arrangement.

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

Secondary Service	\$0.010363	<u>\$0.006074</u>	per kW Per Hour
Primary Service.....	\$0.006462	<u>\$0.005559</u>	per kW Per Hour
Transmission Service.....	\$0.002433	<u>\$0.002015</u>	per kW Per Hour

(D)

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:
Scheduling, System Control & Dispatch
Reactive and Voltage Control
Regulation and Frequency Response
Spinning Reserve
Supplemental Reserve

The applicable hourly Ancillary Services Charge shall be applied on an hour by hour basis.

Charge For Each kW Per Hour:

Secondary Delivery	\$0.001002	<u>\$0.000760</u>	per kW Per Hour
Primary Delivery.....	\$0.000903	<u>\$0.000740</u>	per kW Per Hour
Transmission Delivery.....	\$0.000778	<u>\$0.000721</u>	per kW Per Hour

(D)

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

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METERING ADJUSTMENTS

The Company may meter at secondary or primary voltage as circumstances warrant. In the case of Primary and Secondary Customers, if the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced by one and one-half percent (1.5%). In the case of Transmission Customers, if the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased by one and one-half percent (1.5%).

DSMR CHARGE APPLICABLE RIDERS

All kWh, adjusted to reflect required metering adjustments under this rate schedule, shall be subject to application of the amount per kWh stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate (DSMR). The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(D)
(C)
(N)

PROGRAM CHARGE

Company will provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of ~~\$150.00~~ \$183.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

TERM AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by either the Customer or the Company within thirty (30) days after receipt of written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the Customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such facilities, is established at twenty percent (20%) of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the Customer Charge.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowners associations, for the lighting of public streets and roads with Company-owned lighting fixtures.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be installed and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed:

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NET MONTHLY BILL (Contd.)

1. Base Rate

<u>OVERHEAD DISTRIBUTION AREA</u> Fixture Description	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$ 4.75 \$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 3.66 \$ 4.21	(D)
10,000 lumen	250	0.275	1,144	\$ 5.11 \$ 5.88	(D)
21,000 lumen	400	0.430	1,789	\$ 6.40 \$ 7.36	
Metal Halide					
14,000 lumen	175	0.193	803	\$ 5.46	
20,500 lumen	250	0.275	1,144	\$ 5.88	(N)
36,000 lumen	400	0.430	1,789	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 5.95 \$ 6.84	(D)
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.25 \$ 4.89	(D)
16,000 lumen	150	0.171	711	\$ 6.16 \$ 7.08	
22,000 lumen	200	0.228	948	\$ 7.97 \$ 9.16	(N)
27,500 lumen	250	0.275	948	\$ 9.16	(N)
50,000 lumen	400	0.471	1,959	\$ 9.52 \$10.95	
Decorative Fixtures					
Sodium Vapor					
9,500 lumen (Rectilinear)	100	0.117	487	\$ 7.60 \$ 8.74	
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 8.67 \$ 9.97	(D)
50,000 lumen (Rectilinear)	400	0.471	1,959	\$10.43 \$11.99	
50,000 lumen (Setback)	400	0.471	1,959	\$17.16 \$19.73	

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

Spans of Secondary Wiring:

For each increment of 50 feet of secondary wiring beyond the first 150 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: ~~\$0.45~~ \$0.52. (D)

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NET MONTHLY BILL (Contd.)

<u>UNDERGROUND DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	\$ 4.75	\$ 5.46
7,000 lumen (Open Refractor)	175	0.205	853	\$ 3.66	\$ 4.21
10,000 lumen	250	0.292	1,215	\$ 5.11	\$ 5.88
21,000 lumen	400	0.460	1,914	\$ 6.40	\$ 7.36
Fixture Description					(D)
Metal Halide					
14,000 lumen	175	0.210	874	\$ 5.46	
20,500 lumen	250	0.292	1,215	\$ 5.88	(N)
36,000 lumen	400	0.460	1,914	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 5.95	\$ 6.84
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.25	\$ 4.89
16,000 lumen	150	0.171	711	\$ 6.16	\$ 7.08
22,000 lumen	200	0.228	948	\$ 7.97	\$ 9.16
50,000 lumen	400	0.471	1,959	\$ 9.52	\$ 10.95
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$ 4.98	\$ 5.73
7,000 lumen (Holophane)	175	0.210	874	\$ 6.64	\$ 7.60
7,000 lumen (Gas Replica)	175	0.210	874	\$ 17.04	\$ 19.59
7,000 lumen (Granville)	175	0.205	853	\$ 5.73	
7,000 lumen (Aspen)	175	0.210	874	\$ 10.25	\$ 11.78
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.73	
14,000 lumen (Granville Acorn)	175	0.210	874	\$ 11.78	
14,000 lumen (Gas Replica)	175	0.210	874	\$ 19.59	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$ 8.59	\$ 9.88
9,500 lumen (Holophane)	100	0.128	532	\$ 9.30	\$ 10.69
9,500 lumen (Rectilinear)	100	0.117	487	\$ 7.60	\$ 8.74
9,500 lumen (Gas Replica)	100	0.128	532	\$ 18.30	\$ 21.04
9,500 lumen (Aspen)	100	0.128	532	\$ 10.94	\$ 12.54
9,500 lumen (Traditionaire)	100	0.117	487	\$ 9.88	
9,500 lumen (Granville Acorn)	100	0.128	532	\$ 12.54	
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 8.67	\$ 9.97
50,000 lumen (Rectilinear)	400	0.471	1,959	\$ 10.43	\$ 11.99
50,000 lumen (Setback)	400	0.471	1,959	\$ 17.16	\$ 19.73

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Issued: ~~March 31, 2006~~ June 16, 2006

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

<u>POLE CHARGES</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
Pole Description			
Wood			
17 foot (Wood Laminated) (a)	W17	\$ 3.80 \$ 4.37	
30 foot	W30	\$ 3.75 \$ 4.31	(I)
35 foot	W35	\$ 3.70 \$ 4.36	
40 foot	W40	\$ 4.55 \$ 5.23	
Aluminum			
12 foot (decorative)	A12	\$10.41 \$11.97	
28 foot	A28	\$ 6.00 \$ 6.89	(I)
28 foot (heavy duty)	A28H	\$ 6.05 \$ 6.96	
30 foot (anchor base)	A30	\$11.98 \$13.76	
Fiberglass			
17 foot	F17	\$ 3.80 \$ 4.37	
12 foot (decorative)	F12	\$11.19 \$12.87	(I)
30 foot (bronze)	F30	\$ 7.29 \$ 8.38	
35 foot (bronze)	F35	\$ 7.49 \$ 8.60	
Steel			
27 foot (11 gauge)	S27	\$ 9.84 \$11.31	(I)
27 foot (3 gauge)	S27H	\$14.83 \$17.05	

Spans of Secondary Wiring:

For each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: ~~\$0.65~~ \$0.75. (I)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

(a) Note: New or replacement poles no longer available.

2. Base Fuel Cost (I)
All kilowatt-hours shall be subject to a charge of ~~4.0004¢~~ \$0.021619 per kilowatt-hour reflecting the base cost of fuel.
3. Fuel Cost Adjustment Applicable Riders (D)
All kilowatt hours shall be subject to an adjustment per kilowatt hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 60
Cancels and Supersedes
Original Sheet No. 60
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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, and then its terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

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Duke Energy Kentucky
1697-A Monmouth Street
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SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 dated _____ in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 61
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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

Applicable to the supplying of energy for traffic signals or other traffic control lighting on public streets and roads. After April 2, 1990, this tariff schedule shall only be applicable to municipal, county, state and local governments. In the application of this tariff, each point of delivery shall be considered as a separate customer.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

- (a) Where the Company supplies energy only, all kilowatt-hours shall be billed at ~~3.09 cents~~ \$0.035196 per kilowatt-hour; (I)
- (b) Where the Company supplies energy from a separately metered source and the Company has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at ~~4.80 cents~~ \$0.020695 per kilowatt-hour. (I)
- (c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at ~~4.89 cents~~ \$0.055892 per kilowatt-hour. (I)

2. ~~Fuel Cost Adjustment~~ Applicable Riders

~~All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:~~ (D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on thirty (30) days written notice by either customer or Company.

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Duke Energy Kentucky
1697-A Monmouth Street
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GENERAL CONDITIONS

- (1) Billing will be based on the calculated kilowatt-hour consumption taking into consideration the size and characteristics of the load.
- (2) Where the average monthly usage is less than 110 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing the electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before the work is carried out.
- (3) The location of each point of delivery shall be mutually agreed upon by the Company and the customer. In overhead distribution areas, the point of delivery shall be within 150 feet of existing secondary wiring. In underground distribution areas, the point of delivery shall be at an existing secondary wiring service point.
- (4) If the customer requires a point of delivery which requires the extension, relocation, or rearrangement of Company's distribution system, the customer shall pay the Company, in addition to the monthly charge, the cost of such extension, relocation, or rearrangement on the basis of time and material plus overhead charges unless, in the judgment of the Company, no payment shall be made. An estimate of the cost will be submitted for approval before work is carried out.

LIMITED MAINTENANCE

Limited maintenance for traffic signals is defined as cleaning and replacing lamps, and repairing connections in wiring which are of a minor nature. Limited maintenance for traffic controllers is defined as cleaning, oiling, adjusting and replacing contacts which are provided by customer, time-setting when requested, and minor repairs to defective wiring.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE

APPLICABILITY

Applicable for electric energy usage only for any street or outdoor area lighting system (System), operating during the dusk to dawn time period, on private or public property and owned by the customer or the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service under this tariff schedule shall require a written agreement between the customer and the Company specifying the calculated lighting kilowatt-hours. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's and Company's Installations.

CONTRACT FOR SERVICE

The customer will enter into an Agreement for Electric Service for Outdoor Lighting for a minimum of one year and renewable annually, automatically, thereafter.

The Company will provide unmetered electric service based on the calculated annual energy usage for each luminaire's lamp wattage plus ballast usage (impact wattage). The System kilowatt-hour usage shall be determined by the number of lamps and other System particulars as defined in the written agreement between the customer and Company. The monthly kilowatt-hour amount will be billed at the rate contained in the NET MONTHLY BILL section below.

LIGHTING HOURS

The unmetered lighting System will be operated automatically by either individual photoelectric controllers or System controller(s) set to operate on either dusk-to-dawn lighting levels or on pre-set timers for any hours between dusk-to-dawn. The hours of operation will be agreed upon between the customer and the Company and set out in the Agreement. Dusk-to-dawn lighting typically turns on and off approximately one-half (1/2) hour after sunset and one-half (1/2) hour before sunrise which is approximately 4160 hours annually.

NET MONTHLY BILL

Computed in accordance with the following charge:

- | | | | |
|----|--|-------------------------------------|-----|
| 1. | Base Rate
All kWh | 3.04¢ \$0.034621 per kWh | (I) |
| 2. | Fuel Cost Adjustment <u>Applicable Riders</u>
All kilowatt hours shall be subject to an adjustment per kilowatt-hour in accordance with "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: | | (D) |
| | <u>Sheet No. 80, Rider FAC, Fuel Adjustment Clause</u> | | (C) |
| | <u>Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric</u> | | (N) |
| | <u>Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism</u> | | |

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill which is the Net Monthly Bill plus 5%, is due and payable.

OWNERSHIP OF SERVICE LINES

Company will provide, install, own, operate and maintain the necessary facilities for furnishing electric service to the System defined in the agreement. If the customer requires the installation of a System at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

The Company shall erect the service lines necessary to supply electric energy to the System within the limits of the public streets and highways or on private property as mutually agreed upon by the Company and the customer. The customer shall assist the Company, if necessary, in obtaining adequate written easements covering permission to install and maintain any service lines required to serve the System.

The Company shall not be required to pay for obtaining permission to trim or re-trim trees where such trees interfere with lighting output or with service lines or wires of the Company used for supplying electric energy to the System. The customer shall assist the Company, if necessary, in obtaining permission to trim trees where the Company is unable to obtain such permission through its own best efforts.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

Applicable for outdoor lighting services on private property with Company owned fixtures in the Company's entire service area where secondary distribution lines are adjacent to the premises to be served. Not applicable for lighting public roadways which are dedicated, or anticipated to be dedicated, except to meet the occasional singular need of a customer who has obtained written approval from the proper governmental authority.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-ways provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a maximum mast arm of 10 feet for overhead units will be assessed:

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

	Lamp Watts	kW/ Luminaire	Annual kWh	Rate/Unit	
Standard Fixtures (Cobra Head)					
Mercury Vapor					
7,000 lumen (Open Refractor)	175	0.205	853	\$5.98 \$ 6.88	
7,000 lumen	175	0.210	874	\$8.04 \$ 9.24	(I)
10,000 lumen	250	0.292	1,215	\$9.04 \$10.39	
21,000 lumen	400	0.460	1,914	\$10.99 \$12.64	
Metal Halide					
14,000 lumen	175	0.210	874	\$ 9.24	
20,500 lumen	250	0.307	1,215	\$10.39	(N)
36,000 lumen	400	0.460	1,914	\$12.64	
Sodium Vapor					
9,500 lumen (Open Refractor)	100	0.117	487	-\$ 5.74 \$ 6.57	(I)
9,500 lumen	100	0.117	487	-\$ 7.70 \$ 8.85	(I)
16,000 lumen	150	0.171	711	-\$ 8.40 \$ 9.66	
22,000 lumen	200	0.228	948	-\$ 9.04 \$10.36	
27,500 lumen	250	0.228	948	\$10.36	(N)
50,000 lumen	400	0.471	1,959	\$ 9.03 \$10.38	(I)
Decorative Fixtures (a)					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	-\$ 9.96 \$11.45	
7,000 lumen (Holophane)	175	0.210	874	\$13.22 \$15.20	(I)
7,000 lumen (Gas Replica)	175	0.210	874	\$34.08 \$39.18	(I)
7,000 lumen (Aspen)	175	0.210	874	\$20.50 \$23.57	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$11.45	
14,000 lumen (Granville Acorn)	175	0.210	874	\$23.57	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$39.18	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	-\$17.48 \$19.75	
9,500 lumen (Holophane)	100	0.128	532	\$18.60 \$21.39	
9,500 lumen (Rectilinear)	100	0.117	487	-\$15.20 \$17.48	(I)
9,500 lumen (Gas Replica)	100	0.128	532	-\$36.60 \$42.08	
9,500 lumen (Aspen)	100	0.128	532	-\$21.82 \$25.09	
9,500 lumen (Traditionaire)	100	0.117	487	\$19.75	
9,500 lumen (Granville Acorn)	100	0.128	532	\$25.09	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$17.34 \$19.94	
50,000 lumen (Rectilinear)	400	0.471	1,959	-\$20.86 \$23.98	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$34.32 \$39.46	

(a) When requesting installation of a decorative unit, the customer may elect to make an additional contribution to obtain the monthly rate per unit charge for the same size standard (cobra head) outdoor lighting fixture.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

B. Flood lighting units served in overhead distribution areas (FL):

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, will be assessed:

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Mercury Vapor 21,000 lumen	400	0.460	1,914	\$14.00 <u>\$12.65</u>	(I)
<u>Metal Halide</u>					
<u>20,500 lumen</u>	<u>250</u>	<u>0.307</u>	<u>1,215</u>	<u>\$10.39</u>	(N)
<u>36,000 lumen</u>	<u>400</u>	<u>0.460</u>	<u>1,914</u>	<u>\$12.65</u>	
Sodium Vapor					
22,000 lumen	200	0.246	1,023	\$8.84 <u>\$10.13</u>	(I)
<u>30,000 lumen</u>	<u>250</u>	<u>0.312</u>	<u>1,023</u>	<u>\$10.13</u>	(N)
50,000 lumen	400	0.480	1,997	\$9.66 <u>\$11.11</u>	(I)

Additional facilities, if needed will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hour shall be subject to a charge of ~~1.9094~~ \$0.021619 per kilowatt-hour reflecting the base cost of fuel. **(I)**

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3. ~~Fuel Cost Adjustment~~ Applicable Riders

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:~~

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(D)
(C)

(N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.

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GENERAL CONDITIONS (Contd.)

2. If the customer requires the extension, relocation or rearrangement of the Company's system, the customer will pay, in addition to the monthly charge, the Company on a time and materials basis, plus overhead charges, for such extension, relocation or rearrangement unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
3. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
4. Installation of lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
5. The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these light units for such reason.
6. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

TERM OF SERVICE

Three (3) years for a new and/or succeeding customer until the initial period is fulfilled. The service is terminable thereafter on ten (10) days written notice by the customer or the Company.

At the Company's option, a longer contract may be required for large installations.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations, currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No 2006-00172.

Issued: ~~March 31, 2006~~ June 16, 2006

Effective: ~~April 3, 2006~~ July 6, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE NSU

**STREET LIGHTING SERVICE
NON-STANDARD UNITS**

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, hereinafter referred to as customer for the lighting of public streets and roads with existing Company and Customer owned lighting fixtures. This service is not available for units installed after January 1, 1985.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps maintained by the Company within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed.

1. Base Rate

A. Company owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
1. Boulevard units served underground					
a. 2,500 lumen Incandescent - Series	148	0.148	616	\$6.82 \$ 7.84	
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	\$4.75 \$ 5.46	(I)
2. Holophane Decorative fixture on 17 foot fiberglass pole served underground with direct buried cable					
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	\$12.24 \$14.07	(I)

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006, in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

The cable span charge of ~~\$.65~~ \$0.75 per each increment of 25 feet of secondary wiring shall be added to the Rate/unit charge for each increment of secondary wiring beyond the first 25 feet from the pole base. (D)

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
3. Street light units served overhead distribution					
a. 2,500 lumen Incandescent	189	0.189	786	\$4.79 \$ 5.40	
b. 2,500 lumen Mercury Vapor	100	0.109	453	\$4.95 \$ 5.69	(D)
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	\$5.79 \$ 6.63	

B. Customer owned

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
1. Steel boulevard units served underground with limited maintenance by Company					
a. 2,500 lumen Incandescent – Series	148	0.148	616	\$3.58 \$ 4.12	(D)
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	\$4.55 \$ 5.23	

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of ~~1.9091¢~~ \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (D)

3. Fuel Cost Adjustment Applicable Riders

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: (D) (C)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 1 or 3 under General Conditions.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006, in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 16, 2006

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1697-A Monmouth Street
Newport, Kentucky 41071

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GENERAL CONDITIONS

(1) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

(2) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by, and at the expense of, the Company.

In case of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

(3) When a Company owned street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

(4) When a customer owned lighting unit becomes inoperative, the cost of repair or replacement of the unit will be at the customer's expense. The replacement unit shall be an approved Company fixture.

(5) Limited maintenance by the Company includes only fixture cleaning, relamping, and glassware and photo cell replacement.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

Applicable to service for outdoor lighting on private property with Company-owned lighting fixtures in the Company's entire territory where secondary distribution lines are adjacent to the premise to be served. Not applicable to service for lighting of dedicated or undedicated public thoroughfares.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses.

(N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first.

(N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-way provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

- 1. Base Rate
 - A. Private outdoor lighting units:

The following monthly charge will be assessed for existing facilities, but this unit will not be available to any new customers after May 15, 1973:

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
2,500 lumen Mercury, Open Refractor.....	100	0.115	478	\$5.84 \$ 6.71
2,500 lumen Mercury, Enclosed Refractor.....	100	0.115	478	\$8.29 \$ 9.53

(I)

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated ~~March 24, 2006~~ in Case No. 2006-00172.

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Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

B. Outdoor lighting units served in underground residential distribution areas:

The following monthly charge will be assessed for existing fixtures which include lamp and luminaire, controlled automatically, with an underground service wire not to exceed 35 feet from the service point, but these units will not be available to new customers after May 5, 1992:

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
7,000 lumens Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	\$40.95 <u>\$12.59</u>
7,000 lumen Mercury, Mounted on a 17-foot Wood Laminated Pole (a).	175	0.205	853	\$40.95 <u>\$12.59</u>
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole.	175	0.205	853	\$40.04 <u>\$11.51</u>
9,500 lumen Sodium Vapor, TC 100 R.	100	0.117	487	\$8.73 <u>\$10.04</u>

(I)

(a) Note: New or replacement poles are not available.

C. Flood lighting units served in overhead distribution areas:

The following monthly charge will be assessed for each existing fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a span of wire not to exceed 120 feet, but these units will not be available after May 5, 1992:

	Lamp Watt	kW/Fixture	Annual kWh	Rate/Unit
52,000 lumen Mercury (35-foot Wood Pole) . .	1,000	1.102	4,584	\$16.47 <u>\$18.94</u>
52,000 lumen Mercury (50-foot Wood Pole) . .	1,000	1.102	4,584	\$49.55 <u>\$22.48</u>
50,000 lumen Sodium Vapor.	400	0.471	1,959	\$13.53 <u>\$15.56</u>

(I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of ~~4.90914~~ \$0.021619 per kilowatt-hour reflecting the base cost of fuel.

(I)

3. ~~Fuel Cost Adjustment~~ Applicable Riders

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable to the specific terms contained within each rider:~~

(D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

(C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric

(N)

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

Three (3) years, terminable thereafter on ten (10) days written notice by either customer or Company.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 ~~in Case No. 2006-00172.~~

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.
2. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
3. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowner's associations for the lighting of public streets and roads when the total investment and installation costs of the fixtures are borne by the customer. The fixture shall be a Company approved unit used in overhead and underground distribution areas.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses.

(N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first.

(N)

TYPE OF SERVICE

All equipment will be owned by the customer but may be installed by customer or Company with limited maintenance performed by the Company. Limited maintenance includes only fixture cleaning, relamping, and glassware and photo cell replacement. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

1. Base Rate	Lamp Watts	kW/Unit	Annual kWh	Rate/Unit	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$2.25 <u>\$2.59</u>	(I)
10,000 lumen	250	0.275	1,144	\$2.66 <u>\$3.06</u>	
21,000 lumen	400	0.430	1,789	\$3.35 <u>\$3.85</u>	
<u>Metal Halide</u>					
<u>14,000 lumen</u>	<u>175</u>	<u>0.193</u>	<u>803</u>	<u>\$2.59</u>	
<u>20,500 lumen</u>	<u>250</u>	<u>0.275</u>	<u>1,144</u>	<u>\$3.06</u>	(N)
<u>36,000 lumen</u>	<u>400</u>	<u>0.430</u>	<u>1,789</u>	<u>\$3.85</u>	

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Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$3.46 \$3.98	
16,000 lumen	150	0.171	711	\$3.66 \$4.21	(I)
22,000 lumen	200	0.228	948	\$3.72 \$4.28	(I)
<u>27,500 lumen</u>	<u>250</u>	<u>0.228</u>	<u>948</u>	<u>\$4.28</u>	(N)
50,000 lumen	400	0.471	1,959	\$3.89 \$4.47	(I)
Decorative Fixture					
Mercury Vapor					
7,000 lumen (Holophane)	175	0.210	874	\$3.12 \$3.59	(I)
7,000 lumen (Town & Country)	175	0.205	853	\$3.11 \$3.58	(I)
7,000 lumen (Gas Light Replica)	175	0.210	874	\$3.12 \$3.59	(C)
7,000 lumen (Aspen)	175	0.210	874	\$3.12 \$3.59	(I)
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$3.58	(N)
14,000 lumen (Granville Acorn)	175	0.210	874	\$3.59	(I)
14,000 lumen (Gas Replica)	175	0.210	874	\$3.59	(I)
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$3.47 \$3.99	(I)
<u>9,500 lumen (Traditionaire)</u>	<u>100</u>	<u>0.117</u>	<u>487</u>	<u>\$3.99</u>	(N)
<u>9,500 lumen (Granville Acorn)</u>	<u>100</u>	<u>0.128</u>	<u>532</u>	<u>\$4.12</u>	(I)
9,500 lumen (Rectilinear)	100	0.117	487	\$3.47 \$3.99	(I)
9,500 lumen (Aspen)	100	0.128	532	\$3.58 \$4.12	(I)
9,500 lumen (Holophane)	100	0.128	532	\$3.58 \$4.12	(C)
9,500 lumen (Gas Light Replica)	100	0.128	532	\$3.58 \$4.12	(C)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$3.92 \$4.51	(I)
50,000 lumen (Rectilinear)	400	0.471	1,959	\$4.14 \$4.76	(I)

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

Pole Description	Pole Type	Rate/Pole	
Wood			
30 foot	W30	\$3.75 \$4.31	(I)
35 foot	W35	\$3.70 \$4.36	(I)
40 foot	W40	\$4.54 \$5.23	(I)

Issued by authority of an Order of the Kentucky Public Service Commission dated ~~March 24, 2006~~ _____
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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
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NET MONTHLY BILL (Contd.)

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be ~~3.04¢~~ \$0.034621 per kilowatt-hour which includes the base fuel cost rate stated below. The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out. (I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of ~~1.0091¢~~ \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (M)

3. Fuel Cost Adjustment Applicable Riders

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. (D)
(C)
(N)

The following riders are applicable to the specific terms contained within each rider:

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.

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GENERAL CONDITIONS (Contd.)

- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced by the Company, the ordering Authority shall pay the Company the cost agreed upon under a separate contract.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a customer owned lighting unit becomes inoperative the cost of repair, replacement or removal of the unit will be at the customer's expense.
- (7) All lights installed on an overhead distribution system will be installed by Company under a separate contract with customer.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 4107

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RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof and incorporated homeowners associations for the lighting of public streets and roads with Company lighting fixtures in underground distribution areas, where the customer elects to make a contribution for the installation of the fixture, mounting, pole and secondary wiring to obtain the rate/unit for the same size standard fixture (cobra head) in an overhead distribution area.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 16, 2006

Effective: ~~April 3, 2006~~ July 6, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 4107

NET MONTHLY BILL (Contd.)

1. Base Rate

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
Decorative Fixtures					
<u>Mercury Vapor</u>					
7,000 lumen (Town & Country)	175	0.205	853	\$4.75	\$ 5.46 (D)
7,000 lumen (Holophane)	175	0.210	874	\$4.75	\$ 5.46 (D)
7,000 lumen (Gas Replica)	175	0.210	874	\$4.75	\$ 5.46 (D)
7,000 lumen (Aspen)	175	0.210	874	\$4.75	\$ 5.46 (D)
<u>Metal Halide</u>					
14,000 lumen (Traditionaire)	175	0.205	853		\$ 5.46 (D)
14,000 lumen (Granville Acorn)	175	0.210	874		\$ 5.46 (N)
14,000 lumen (Gas Replica)	175	0.210	874		\$ 5.46 (D)
<u>Sodium Vapor</u>					
9,500 lumen (Town & Country)	100	0.117	487	\$5.95	\$ 6.84 (D)
9,500 lumen (Holophane)	100	0.128	532	\$5.95	\$ 6.84 (D)
9,500 lumen (Rectilinear)	100	0.117	487	\$5.95	\$ 6.84 (D)
9,500 lumen (Gas Replica)	100	0.128	532	\$5.95	\$ 6.84 (D)
9,500 lumen (Aspen)	100	0.128	532	\$5.95	\$ 6.84 (D)
9,500 lumen (Traditionaire)	100	0.117	487		\$ 6.84 (D)
9,500 lumen (Granville Acorn)	100	0.128	532		\$ 6.84 (N)
22,000 lumen (Rectilinear)	200	0.246	1,023	-\$7.97	\$ 9.16 (D)
50,000 lumen (Rectilinear)	400	0.471	1,959	\$9.52	\$10.95 (D)
50,000 lumen (Setback)	400	0.471	1,959	\$9.52	\$10.95 (D)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of ~~4.90914~~ \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (D)

3. Fuel Cost Adjustment Applicable Riders

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: (D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

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GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.
- (7) The contribution only provides for replacement of these facilities due to occasional damage or premature malfunction. It does not cover replacement at end of life.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006, in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 70
Cancels and Supersedes
Original Sheet No. 70
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(D)

RIDER SES

STANDBY OR EMERGENCY SERVICE

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with ~~TFS2006-00440~~ dated March 24, 2006 in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 74
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RIDER IS
INTERRUPTIBLE SERVICE RIDER

(D)

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 76
Cancels and Supersedes
Original Sheet No. 76
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(D)

RIDER TES

THERMAL ENERGY STORAGE RIDER

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 77
Cancels and Supersedes
Original Sheet No. 77
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RIDER PLM

PEAK LOAD MANAGEMENT PROGRAM

AVAILABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP, Rate TT or Special Contracts or Rate RTP. Customers whose billing period maximum 15-minute demands are less than 500 kilowatts will be eligible to participate in the Program by paying the incremental cost of installing the required metering. Customers must enter into a service agreement. (C)

PROGRAM DESCRIPTION

The PLM Program is voluntary and offers Customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. Customer and Company will enter into a service agreement under this Rider which will specify the terms and conditions under which Customer agrees to reduce usage.

SERVICE OPTIONS

Customers may elect to participate in a PLM service option by either choosing to:

- a) reduce demand to a specified amount,
- b) reduce energy usage below their baseline, or
- c) sell the output of any Customer owned self generation to Company.

Upon approval of Company, Customers will have the choice to aggregate electric loads at multiple sites under the PLM Program.

The specific hours for the PLM service option will be mutually agreed upon between Customer and Company and specified in the service agreement. ~~The targeted hours for the PLM Program will generally be between 11:00 A.M. and 8:00 P.M., Monday through Friday, starting June 1 and ending September 30.~~ (D)

Buy-through energy is the incremental energy the Customer has decided to purchase in lieu of managing their electric demand or energy usage as agreed upon between the Customer and the Company.

Demand Reduction Option

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to limit their demand to a Firm Load Level. Customer and Company will mutually agree on the amount of demand reduction, the conditions under which a request for reduction can be issued and the mechanism to be used to verify compliance. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of the bill credit will take into consideration the projected avoided cost of firm capacity and energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs. (C)

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Demand Reduction Option (Contd.)

Company will provide buy-through energy, if available, to be billed based on price quotes (Buy-through Quotes) provided to Customer. Such Buy-through Quotes will include a) applicable transmission and distribution charges, generation charges based on out-of-pocket cost plus 10% and all applicable Riders and taxes included in the Standard Rate. Customer will be billed for all usage above the Firm Load Level at such Buy-through Quotes. If buy-through energy is not available and Customer fails to reduce its usage to the Firm Load Level, Customer will be billed for all usage above the Firm Load Level at \$10.00 per kilowatt-hour.

Energy Reduction Below Baseline

Customers served under the Standard Rate DS, Rate DT, Rate DP; or Rate TT ~~or Rate RTP~~ electing this option agree, upon notification by Company, to reduce energy usage below their Baseline Level. Reductions below the Baseline Level during such periods will be credited at the Energy Buy-Back Price Quotes (Price Quotes) provided to Customer by Company. Customer and Company will mutually agree upon a) the conditions under which such Price Quotes will be in effect, b) the time period by which Company will provide such Price Quotes to Customer and c) the time duration such Price Quotes will be in effect. The determination of such Price Quotes will take into consideration the projected avoided cost of energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

Customer will agree to provide Company with an estimate of the amount of load reduction to be provided during such periods. The Baseline Level must be mutually agreeable to both the Customer and the Company as representing the Customer's normal usage level during the time period that a notification could be given.

Generation Sell Back

Customers served under the Standard Rate DS, Rate DT, Rate DP; or Rate TT ~~or Rate RTP~~ electing this option, agree upon notification by Company, to sell the output of their electric generator to Company. Customer and Company will mutually agree on the amount of generation to be sold back and the conditions under which a request to run the generator can be issued. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of bill credit will be take into consideration projected avoided cost of firm capacity and energy and program administrative costs.

Suitable metering will be installed either by Customer or Company to measure the energy output of the Generator. Customer will provide suitable access and a suitable location for the installation of such metering equipment.

During such time period that the electrical output of the generator is being sold back to Company, the meter readings that are normally used to bill the Customer shall be adjusted by adding back the measured output of the generator.

BILLING UNDER STANDARD RATES

Customers served under Rates DS, Rate DT, Rate DP or Rate TT will be billed for all demand and energy used under the terms and conditions and at the rates and charges of the applicable Standard Rate. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement.

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BILLING UNDER RATE RTP

~~Customers served under Rate RTP will be billed for all demand and energy used under the terms and conditions and at the rates and charges such Rider. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement. During a notice period under this Rider, Customer's RTP billing will be adjusted to equate any credits to those outlined in the PLM service agreement.~~

(D)

PROGRAM EQUIPMENT

Company will provide Internet based communication software to be used to provide Customer with the Buy-through and Price Quotes. Customer will be responsible for providing its own Internet access.

Customer may purchase from either Company or other third-party suppliers any other necessary equipment or software packages to facilitate participation in this PLM Program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this PLM Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

CUSTOMER GENERATION

Customers electing to operate a Generator in parallel with Company's electric system will operate the Generator in such a manner as not to cause undue fluctuations in voltage, harmonic disturbances, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Company will grant such permission only in cases where it is satisfied that such parallel operation is practicable and without interference or probability of interference with the ability of Company to render adequate service to its other Customers.

TERM AND CONDITIONS

Except as provided in this Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates ~~or Rate RTP~~ will apply.

(D)

Any interruptions or reductions in electric service caused by outages of Company's facilities, other than as provided under the PLM Program, will not be deemed a Curtailment Period under this PLM Program. Agreements under the PLM Program will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable electric tariff and its applicable rate schedules. It will be Customer's responsibility to monitor and control their demand and energy usage before, during, and after a notice period under this Rider.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission

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RIDER EOP-RTP
ENERGY CALL OPTION PROGRAM

(D)

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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(c)

**RIDER F FAC
FUEL COST ADJUSTMENT CLAUSE**

Whenever the average monthly cost of fuel charged by the Company's electrical energy supplier is greater than or less than the cost of fuel per kilowatt hour of sales established in the base period, there shall be added to or subtracted from the net monthly bill to which this Rider is applicable, an amount determined by multiplying the number of kilowatt hours consumed by the customer during the period for which the bill is rendered by a FUEL COST ADJUSTMENT.

The Fuel Cost Adjustment is expressed in a formula as follows:

$$F(m) - F(b) \\ \text{Fuel Cost Adjustment} = \frac{S(m) - S(b)}{S(m) - S(b)}$$

where F is the fuel cost in the base (b) and current (m) periods and S is sales in the base (b) and current (m) periods.

The Fuel Costs (F) shall be the most recent actual monthly cost of:

(a) the actual identifiable fossil and nuclear fuel costs associated with energy purchased; and less

(b) the cost of fossil fuel recovered through inter-system sales.

Sales (S) shall be all kWh's sold, including Company use but excluding inter-system sales. Whenever energy losses for any twelve-month period ending with the current month's Fuel Cost Adjustment determination exceed ten (10) percent, Sales shall be adjusted to reflect energy losses of ten (10) percent.

It has been determined that the base period fuel cost $F(b)/S(b)$, as of August 1, 1983 is 1.9091 cents per kilowatt hour.

Notwithstanding the above Fuel Cost Adjustment provisions, the Company's FAC rate shall be fixed at (0.2525) cents per kilowatt hour effective with Billing Cycle 1, June 2001. This FAC rate shall continue in effect until the later of December 31, 2003 or the effective date of the Company's next general retail rate case.

APPLICABLE

In all territory service.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

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Duke Energy Kentucky
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KY. P.S.C. Electric No. 1
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- (1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or (decreased) at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\text{Fuel Cost Adjustment} = \frac{F(m)}{S(m)} - \$0.021619 \text{ per kWh}$$

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

- (2) Fuel costs (F) shall be the cost of:

- (a) Fossil fuel consumed in the Company's plants plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
- (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) of this subsection, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus
- (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the Company to substitute for its own higher cost energy, and less
- (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
- (e) All fuel costs shall be based on a weighted-average inventory costing. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of fuel itself and necessary charges for transportation of fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.

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Duke Energy Kentucky
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KY. P.S.C. Electric No. 1
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AVAILABILITY OF SERVICE (Contd.)

(f) As used herein, the term "forced outages" means all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection, or acts of the public enemy, then the Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.

(3) Sales (S) shall be determined in kilowatt-hours as follows:

Add:

- (a) net generation
- (b) purchases
- (c) interchange in

Subtract:

- (d) inter-system sales including economy energy and other energy sold on an economic dispatch basis.
- (e) total system losses

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1697-A Monmouth Street
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KY.P.S.C. Electric No. 1
Original Sheet No. 83
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RIDER TCRM
TRANSMISSION COST RECOVERY MECHANISM

(N)

APPLICABILITY

Applicable to all jurisdictional retail customers in the Company's electric service area.

Whenever the average cost of transmission charged to the Company by its Regional Transmission Organization is greater or less than the average cost of this transmission included per kilowatt-hour of sales in the base period, there shall be added to or subtracted from the net monthly bill to which this Rider is applicable, an amount determined by multiplying the number of kilowatt-hours consumed by the customer during the period for which the bill is rendered by a Rider TCRM adjustment.

1. The charge per kilowatt-hour delivered under the rate schedule to which this adjustment is applicable shall be increased or decreased during each year in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{T(y)}{S(y)} - \frac{T(b)}{S(b)}$$

where:

- a. "T" is the transmission related Midwest ISO Costs billed to Duke Energy Kentucky.
- b. "S" is the kilowatt-hour sales.
- c. "y" is the current year.
- d. "b" is the base year.

2. Eligible transmission costs (T) shall be the most recent actual annual cost of:

- a. Retail share of charges billed to Duke Energy Kentucky for Schedules 10, 10-FERC, 16, 17, and 24 of the Midwest ISO's Transmission Energy Market Tariff.
- b. Retail share of net charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff.
- c. Retail share of all other charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff excluding Day-Ahead and Real-Time energy costs, Revenue Sufficiency Guarantee Make-whole Payments, Virtual transactions, and Disputed amounts.
- d. Eligible transmission expenses, T(b), included in the base year are \$12,047,693.
- e. Sales, S(b), for the base year, the twelve months ending December 31, 2007, are 4,006,495,000 kWh.

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Duke Energy Kentucky
139 East Fourth Street
Cincinnati, Ohio 45202

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RIDER BDP

(N)

BACKUP DELIVERY POINT CAPACITY RIDER

BACKUP DELIVERY POINT (TRANSMISSION/DISTRIBUTION) CAPACITY

The Company will normally supply service to one premise at one standard voltage at one delivery point and through one meter to a Non-Residential Customer in accordance with the provisions of the applicable rate schedule and the Electric Service Regulations. Upon customer request, Company will make available to a Non-Residential Customer additional delivery points in accordance with the rates, terms and conditions of this Rider BDP.

NET MONTHLY BILL

1. Connection Fee

The Connection Fee applies only if an additional metering point is required and will be based on customer's most applicable rate schedule.

2. Monthly charges will be based on the unbundled distribution and/or transmission rates of the customer's most applicable rate schedule and the contracted amount of backup delivery point capacity.

3. The Customer shall also be responsible for the acceleration of costs, if any, that would not have otherwise been incurred by Company absent such request for additional delivery points. The terms of payment may be made initially or over a pre-determined term mutually agreeable to Company and Customers that shall not exceed the minimum term. In each request for service under this Rider, Company engineers will conduct a thorough review of the customer's request and the circuits affected by the request. The customer's capacity needs will be weighed against the capacity available on the circuit, anticipated load growth on the circuit, and any future construction plans that may be advanced by the request.

SPECIAL TERMS AND CONDITIONS

The Company will provide such backup delivery point capacity under the following conditions:

- 1. Company reserves the right to refuse backup delivery capacity to any Customer where such backup delivery service is reasonably estimated by Company to impede or impair current or future electric transmission or distribution service.**
- 2. The amount of backup delivery point capacity shall be mutually agreed to by the Company and the Customer because the availability of specific electric system facilities to meet a Customer's request is unique to each service location.**
- 3. System electrical configurations based on Customer's initial delivery point will determine whether distribution and/or transmission charges apply to Customer's backup delivery point.**
- 4. In the event that directly assigned facilities are necessary to attach Customer's backup delivery point to the joint transmission or distribution systems, Company shall install such facilities and bill Customer the Company's full costs for such facilities and installations.**

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2006-00172.

in Case No.

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Duke Energy Kentucky
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Cincinnati, Ohio 45202

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SPECIAL TERMS AND CONDITIONS (Contd.)

5. Energy supplies via any backup delivery point established under this Rider BDP will be supplied under the applicable rate tariff and/or special contract.
6. Company and the Customer shall enter into a service agreement with a minimum term of five years. This service agreement shall contain the specific terms and conditions under which Customer shall take service under this Rider BDP.
7. Company does not guarantee uninterrupted service under this rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 88
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Original Sheet No. 88
Page 1 of 2

RIDER GP

GREEN POWER RIDER

APPLICABILITY

Applicable to all customers who ~~want~~wish to ~~contribute~~purchase "Green Power" from the ~~to~~a Company-sponsored "Green Power" ~~fund~~program. ~~The term of this pilot program is three (3) years.~~This rider will be available until December 31, 2008. (D)
(C)

DEFINITION OF GREEN POWER

Green Power includes energy generated from renewable and/or environmentally friendly sources, including, but not limited to: hydroelectric generation, photovoltaic generation, solar thermal generation, wind generation, biomass generation, and methane recovery. (C)
(D)

Wind, Solar Photovoltaic, Biomass Co-firing of Agricultural Crops and All energy crops, Hydro – as certified by the Low Impact Hydro Institute, Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-firing of All Woody Waste including mill residue, but excluding painted or treated lumber. (N)

Green Power includes the purchase of Renewable Energy Certificates and/or Carbon Credits from the sources described above.

GREEN POWER RATE

1. Rate RS: (N)

For all Green Power kWh, including carbon credits, purchased per month \$0.025 per kWh

Minimum kWh purchase is 200 kWh. Additional purchases to be made in 100 kWh block increments.

2. All other rates:

Individually calculated Green Power Rate per service agreement which may also include carbon credits.

NET MONTHLY BILL

Customers who participate ~~in~~under this Rider will be billed for electric service under all standard applicable tariffs including and all applicable riders. ~~The customer's contribution to the Green Power fund will be added to the customer's bill for electric service.~~ (C)
(D)

The purchase of Green Power, under this rider, will be billed at the applicable Green Power Rate times the amount of Green Power kWh the customer has agreed to purchase per month. The customer's monthly bill will consist of the sum of all kWh billed at the applicable rate tariffs, including all applicable riders, and the agreed to Green Power kWh blocks billed at the applicable Green Power Rate. (N)

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Duke Energy Kentucky
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Newport, Kentucky 41071

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TERMS AND CONDITIONS

~~The Customer shall enter into a written service agreement with the Company that shall specify the monthly amount that the Customer will contribute to the Green Power fund. The contribution amount must be in whole dollars with one dollar (\$1.00) being the minimum contribution allowed. Funds collected through Rider GP will be used to purchase power from environmentally friendly sources as described in the DEFINITION OF GREEN POWER section. As sufficient amounts are collected in the Green Power fund to cover the costs of purchasing and also transmitting such electric power, the Company will purchase electric power generated from environmentally friendly sources. After three (3) years, if the contributions collected have been insufficient for ULH&P to purchase or develop Green Power energy sources, the monies contributed will be refunded to respective customers including six (6) percent annualized simple interest. The Company will file with the Commission on a semi-annual basis a report which shows the number of participants, amount of funds collected in the Green Power fund and the expenditures made during the preceding six month period as contemplated in this Rider.~~

(D)

1. The customer shall enter into a service agreement with Company that shall specify the amount in kWh blocks and price of Green Power to be purchased monthly. Customer shall give Company thirty (30) days notice prior to cancellation of participation in this rider.
2. Funds from the Green Power Rate will be used to purchase Renewable Energy Certificates and/or carbon credits from renewable and environmentally friendly sources as described in the DEFINITION OF GREEN POWER section and for customer education, marketing, and costs of the Green Power Program.
3. Renewable Energy Certificate ("REC") shall mean tradable units that represent the commodity formed by unbundling the environmental attributes of a unit of renewable or environmentally friendly energy from the underlying electricity. One REC would be equivalent to the environmental attributes of one MWH of electricity from a renewable or environmentally friendly generation source.
4. Company may transfer RECs or Carbon Credits at the prevailing wholesale market prices to and from third parties, including affiliated Companies.
5. Company reserves the right to terminate the Rider or revise the pricing or minimum purchase amount of the Rider after giving 60 days notice.
6. Carbon Credit shall mean tradable units that represent the reduction of the release of a greenhouse gas in the equivalent of one ton CO₂.

(C)

Company may obtain carbon credits from purchased power, company owned generation, or purchased with funds collected from this rider.

~~The term of the service agreement will be for a minimum of one year.~~

(D)

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations, as filed with the Kentucky Public Service Commission.

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RIDER NM
NET METERING RIDER

AVAILABILITY

Net Metering is provided upon request and on a first-come, first-served basis. Net Metering is available to customers with a capacity of 15 kW or less. At its sole discretion, Company may provide Net Metering to other customers on a case-by-case basis. The total nameplate rating of all customer-generators under net metering is limited to one-percent (1%) of the Company's total peak system load. (C)

DEFINITION

"Net Metering" means measuring the difference in an applicable billing period between the amount of electricity supplied by the Company to a customer who generates electricity and the amount of electricity generated by such customer-generator that is delivered to Company.

BILLING

The measurement of net electricity supplied by the Company and delivered to the Company shall be calculated in the following manner. The Company shall measure the difference between the amount of electricity delivered by the Company to the customer and the amount of electricity generated by the customer and delivered to the Company during the billing period, in accordance with normal metering practices and using a bi-directional meter where feasible. If the kWh delivered by the Company to the customer exceeds the kWh delivered by the customer to the Company during the billing period, the customer shall be billed for the kWh difference. If the kWh generated by the customer and delivered to the Company exceeds the kWh supplied by the Company to the customer during the billing period, the customer shall be credited in the next billing cycle for the kWh difference. Any unused credit when the customer closes his account will be granted to the Company.

Bill charges and credits will be in accordance with the same standard tariff that would apply if the customer were not a customer-generator. If time-of-use metering is used, the electricity fed back to the electric grid by the customer shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-use billing agreement currently in place.

METERING:

The customer agrees to allow the Company to install, at the customer's expense, a single, bi-directional meter, for billing purposes, between the Company's system and the customer. If any additional meter, meters or distribution upgrades are needed to monitor the flow in each direction, including metering for time-of-use, this equipment shall be installed at the customer's expense.

TERMS AND CONDITIONS

In order to be eligible for Net Metering, the customer's generator must meet the following requirements:

- a. Use solar power;
- b. The generation equipment must be located on the customer's premises and owned by the customer;
- c. The generator must operate in parallel with the Company's distribution facilities;

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TERMS AND CONDITIONS (Contd.)

- d. The customer's generation must be intended primarily to offset part or all of the customer's requirements for electricity; and
- e. The name plate rating of the customer's generator must not exceed 15 kW;
- f. The customer must sign an interconnection agreement with the Company, a sample of which is included with this tariff schedule as Appendix A.

A participating customer will install, at the customer's expense, all control and protective equipment required to ensure safe and reliable interconnection with the Company's electrical system. The Company shall at all times have immediate access to the customer's metering, control and protective equipment. The net metering system used by a customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the American National Standards Institute, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories, Inc. A customer's electric generating equipment that meets the requirements of this tariff can be transferred to another owner or installed at another location, provided that the customer notifies the Company and the Company verifies that the new location meets the tariff requirements.

The customer shall reimburse the Company for all interconnection costs that the Company reasonably incurs.

The customer-generator must provide a voltage wave shape that is a 60 Hertz sine wave that is clear, free from distortion, readable and otherwise compatible with the Company's equipment. The voltage amplitude must be compatible with the service voltage delivered by the Company. Any characteristic of the customer-generator that degrades the quality of service provided to other Company customers will not be permitted.

The customer agrees that the Company shall not be liable for any damage to, or breakdown of, the customer's equipment operated in parallel with the Company's electric system.

The customer shall agree to release, indemnify, and hold harmless the Company from any and all claims for injury to persons or damage to property due to or in any way connected with the operation of the customer's said generators.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and the Company's General Terms and Conditions, as filed with the Kentucky Public Service Commission.

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Appendix A
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INTERCONNECTION AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF PHOTOVOLTAIC EQUIPMENT 15 KW OR SMALLER

This Interconnection Agreement is made and entered into this _____ day of _____, 20____, by and between DUKE ENERGY KENTUCKY ("Company"), and _____ ("Customer").

Customer is installing or has installed photovoltaic equipment including an inverter used to interconnect and operate in parallel with the Company's system, and described as follows:

Location: _____

Inverter Power Rating: _____

Inverter Manufacturer and Model Number: _____

Description of electrical installation of inverter and associated electrical equipment:

As shown on a single line diagram attached as "Exhibit A"

Or

Described as follows: _____

Requirement for Customer owned utility-interface disconnect switch:

Not required

Required. Must be in a location immediately accessible to Company at all times.

Customer agrees that the installation has been designed and installed to meet the requirements of IEEE Standard 1547-2003, "Standard for Interconnecting Distributed Resources with Electric Power Systems" and all applicable requirements of the National Electrical Code and local building codes.

Customer agrees that the inverter has been certified by Underwriters Laboratories (UL) as having satisfied the testing requirements of UL Standard 1741, "Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems."

Company agrees to allow Customer to interconnect the inverter and operate it in parallel with the Company's system.

Customer's use of the inverter and associated electrical equipment is subject to the Company's ELECTRIC SERVICE REGULATIONS.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first above written.

DUKE ENERGY KENTUCKY

Customer

By: _____

By: _____

Title: _____

Title: _____

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CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Section 1, Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Electric Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for electricity used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).
- E. Where electric service was disconnected at the pole because the Company was unable to gain access to the meter, the reconnection charge shall be sixty-five dollars (\$65.00). If the gas service is also reconnected the charge shall be ninety dollars (\$90.00). (N)
- F. If the Company receives notice after 12:30 p.m. of a customer's desire for same day reinstatement of service and if the reconnection cannot be performed during normal business hours, the after hour reconnection charge for connection at the meter shall be fifty dollars (\$50.00). The after hour charge for reconnection at the pole shall be ninety dollars (\$90.00). (N)
- G. If a Company employee, whose original purpose was to disconnect the service, has provided the customer a means to avoid disconnection, service which otherwise would have been disconnected shall remain intact, and no reconnection charge shall be assessed. However, a collection charge of fifteen dollars (\$15.00) may be assessed. (N)

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-100 kW OR LESS

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

Purchase Rate shall be ~~4.95¢/kWh~~ \$0.03078/kWh for all kilowatt-hours delivered. (I)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

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COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-GREATER THAN 100 kW

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

The Purchase Rate for all kilowatt-hours delivered shall be the locational marginal price for power purchased through the Midwest ISO day-ahead energy market, inclusive of the energy, congestion and losses charges, delivered to the Duke Energy Kentucky commercial price node. (C)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

Calculation Of Avoided Cost

~~The methodology to determine avoided cost involves the use of the Electric Generation Expansion Analysis System (EGEAS) to develop differential long run marginal costs between the Duke Energy Ohio/Duke Energy Kentucky's current optimum base case generation expansion plan and an optimum expansion plan including the QF. The key feature of the methodology is the complete reoptimization of the base case generation expansion plan including capital costs, fuel cost, and operation and maintenance expenses to insure that the ratepayer will remain indifferent toward the capacity and energy cost of any cogenerator or small power producer.~~ (D)

~~EGEAS is a proprietary generation expansion model written by the Massachusetts Institute of Technology under contract to the Electric Power Research Institute. The model uses a technique called dynamic programming to devise the optimum generation expansion plan. The dynamic programming module typically tests over 1,000 different generation expansion plans in arriving at the single best plan.~~

~~The first step is the preparation of a base case using the Duke Energy Ohio/Duke Energy Kentucky's current generation expansion plan. A change case is then prepared which incorporates both the technical characteristics including unit capacity and reliability and the duration of the contract of the qualifying facility (QF). With the QF entered as a committed unit, the EGEAS model reoptimizes the generation expansion plan by adjusting both utility unit sizes and timing to find the new least cost strategy. By specifying the cogenerator as a zero cost, must run source of energy, the model accumulates all long run marginal cost differences between the base case and the change case. Finally a levelized annuity based on the length of contract is calculated from the long run marginal cost. Transmission costs are added to yield the total avoided cost. The total avoided cost is then divided into capacity and energy components by subtracting the marginal energy cost from the total cost. The remainder is the avoided capacity cost. The method assumes that the avoided cost and thus the levelized payment to the qualifying facility begins on the commercial operation date of the QF.~~

~~Further explanation of this tariff and methodology can be obtained from the Company.~~

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RATE SCHEDULES (Contd.)

Sample Rates

To illustrate the methodology, Table 1 below illustrates the results of applying the avoided cost calculation to a cogenerator whose capacity is 100 MW and whose availability is 86%. The actual credit depends on the capacity, availability and contract length of the prospective QF. The minimum capacity required to qualify for the capacity component is 1.5 MW. (D)

<u>Cogen/Spp</u>	<u>Capacity</u>	<u>Weighted</u>	<u>Total</u>
<u>Contract Length</u>	<u>Component</u>	<u>Energy</u>	<u>Cogen/Spp Credit</u>
		<u>Component</u>	<u>(¢/kWh All Hours)</u>
5 Yr.	0.81¢/kWh	1.95¢/kWh	2.76¢/kWh
10 Yr.	1.16¢/kWh	1.95¢/kWh	3.11¢/kWh
15 Yr.	1.63¢/kWh	1.95¢/kWh	3.58¢/kWh
20 Yr.	2.92¢/kWh	1.95¢/kWh	4.87¢/kWh

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

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RATE RTP REAL TIME PRICING PROGRAM

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis through December 31, 2008. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (C)

PROGRAM DESCRIPTION

The RTP Program is voluntary and offers Customers the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods and adding new load during lower cost pricing periods or to learn about market pricing. Binding Price Quotes will be sent to each Customer on a day-ahead basis. The program is intended to be bill neutral to each Customer with respect to their historical usage through the use of a Customer Baseline Load (CBL) and the Company's Standard Offer Rates.

CUSTOMER BASELINE LOAD

The CBL is one complete year of Customer hourly load data that represents the electricity consumption pattern and level of the Customer's operation under the Standard Rate Schedule. The CBL is the basis for achieving bill neutrality for Customers billed under this Rate RTP, and must be mutually agreeable to both the Customer and the Company as representing the Customer's usage pattern under the Standard Rate Schedule (non-RTP). In the event that the Customer's electricity consumption pattern differs significantly from the established CBL, the Company may renegotiate the CBL with the Customer. Agreement on the CBL is a requirement for participation in the RTP Program.

RTP BILLING

Customers participating in the RTP Program will be billed monthly based on the following calculation:

$$\text{RTP Bill} = \text{BC} + \text{PC} + \text{DSMR} + \sum_{t=1}^n \{ (\text{CC}_t + \text{ED}_t + \text{ASC}_t) \times (\text{AL}_t - \text{CBL}_t) \}$$

Where:

- BC = Baseline Charge
- PC = Program Charge
- DSMR = Rider DSMR Charge
- CC_t = Commodity Charge for hour t
- ED_t = Energy Delivery Charge for hour t
- ASC_t = Ancillary Services Charge for hour t
- AL_t = Customer Actual Load for hour t
- CBL_t = Customer Baseline Load in hour t
- n = total number of hours in the billing period
- t = an hour in the billing period

BASELINE CHARGE

The Baseline Charge is independent of Customer's currently monthly usage, and is designed to achieve bill neutrality with the Customer's standard offer tariff if no change in electricity usage pattern occurs (less applicable program charges). The Baseline Charge is calculated at the end of the billing period and changes each billing period to maintain bill neutrality for a Customer's CBL. (D)

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BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

$$BC = (\text{Standard Bill @ CBL})$$

Where:

BC = Baseline Charge
Standard Bill @ CBL = Customer's bill for a specific month on the applicable Rate Schedule including applicable Standard Contract Riders using the CBL to establish the applicable billing determinants.

The CBL shall be adjusted to reflect applicable metering adjustments under the Rate Schedule. All applicable riders The DSMR charge shall be excluded from the calculation of the Baseline Charge.

(C)
(D)

PRICE QUOTES

The Company will send to Customer, by 3 p.m. within two hours after the wholesale prices are published by the Midwest Independent Transmission System Organization, Inc. ("Midwest ISO") each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

(C)

The Company may send more than one day ahead Price Quotes for weekends and holidays identified in Company's tariffs. The Company may revise these prices by 3 p.m. the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is Customer's responsibility to inform Company of any failure to receive the Price Quotes by 5 p.m. the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL:

$$\begin{aligned} \text{For kWh}_t \text{ above the CBL}_t, \quad CC_t &= \text{MVG}_t \times \text{LAF} \\ \text{For kWh}_t \text{ below the CBL}_t, \quad CC_t &= \text{MVG}_t \times 80\% \times \text{LAF} \end{aligned}$$

Where:

LAF = loss adjustment factor
= 1.0530 for Rate TS
= 1.0800 for Rate DP
= 1.1100 for Rate DS
MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge (Credit) shall be applied on a hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Service	\$0.004800	\$0.006074	per kW Per Hour	(D)
Primary Service	\$0.004600	\$0.005559	per kW Per Hour	
Transmission Service	\$0.004600	\$0.002015	per kW Per Hour	

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:

- Scheduling, System Control & Dispatch
- Reactive and Voltage Control
- Regulation and Frequency Response
- Spinning Reserve
- Supplemental Reserve

The applicable hourly Ancillary Services Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Delivery.....	\$0.000760	per kW Per Hour
Primary Delivery.....	\$0.000740	per kW Per Hour
Transmission Delivery	\$0.000721	per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

DSMR-Charge

~~All kWh, adjusted to reflect required metering adjustments under this rate schedule, shall be subject to application of the amount per kWh stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate (DSMR).~~ (D)

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider: (N)

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 16, 2006

Effective: April 3, 2006 July 6, 2006

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 99
Cancels and Supersedes
Original Sheet No. 99
Page 4 of 4

PROGRAM CHARGE

Company will be provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of ~~\$450.00-~~ \$183.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program. (I)

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under t his Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

SPECIAL TERM AND CONDITIONS

Except as provided in this Rate RTP, all terms, conditions, rates, and charges outlined in the Standard Rate Schedule will apply. Participation in the RTP Program will not affect Customer's obligations for electric service under the Standard Rate Schedule.

~~Customers receiving service under Rider IS or a special contract that contains an interruptible service provision will be eligible to participate in the RTP Program. Adjustments will be made to the CBL to reflect the interruptible service.~~ (D)

Customers who terminate their service agreement under this Rider RTP after the initial one (1) year term shall be ineligible to return to the program for twelve (12) months from the termination date.

The primary term of service is one (1) year consisting of a consecutive twelve month period.

Customers returning to the standard tariff shall have any historical demands in excess of the CBL, waived for purposes of calculating applicable billing demands.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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Issued by Sandra P. Meyer, President