

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

**KyPSC-DR-01-024**

**REQUEST:**

24. Provide, in the format provided as Schedule 5, an analysis of the gross additions, retirements, and transfers for each major functional plant property group or account for Duke Kentucky occurring in the forecasted test period. Provide this information for both electric operations and total company operations. For any account in which transfers regularly occur in the normal course of business, also include a general description of the nature of the transfers.

**RESPONSE:**

This information can be found on Schedule B-2.3 of Duke Energy Kentucky's application for electric operations and common property. Attachment KyPSC-DR-01-024 has the requested information for gas and non-utility property.

**WITNESS RESPONSIBLE:** Carl J. Council, Jr.

Duke Energy Kentucky  
Case No. 2006-00172  
Gross Additions, Retirements, and Transfers  
From January 1, 2007 to December 31, 2007

(\$000 Omitted)

Data:  Base Period  Forecasted Period  
Type of Filing:  Original  Updated  Revised  
Work Papers Reference No(s):

Schedule 5  
Page 1 of 1  
Witness Responsible  
Carl Council

Line No.	F.E.R.C. Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
							Amount	Explanation of Transfer	
				\$	\$	\$	\$		\$
1	121		Non-Utility	18,615					18,615
2			Gas Intangible	417					417
3	304-311		Manufactured Gas Production	5,624	184				5,808
4	374-387, 399.1		Gas Distribution	292,569	23,680				316,249
5	391-398		Gas General	1,952					1,952
6			Total Non-Utility Property and Gas Plant	319,177	23,864	-	-		343,041

**KyPSC Staff First Set Data Requests  
Duke Energy Kentucky  
Case No. 2006-00172  
Date Received: May 18, 2006  
Response Due Date: June 14, 2006**

**KyPSC-DR-01-025**

**REQUEST:**

25. List all properties leased to the utility and improvements to leased properties, together with annual lease payments which are capitalized, in the format provided in Schedule 6. Provide this information for both electric operations and total company operations.

**RESPONSE:**

This information for electric and common property can be found on Schedule B-2.5 of Duke Energy Kentucky's application. Duke Energy Kentucky also leases gas meters and regulators. The information for the gas meters and regulators is provided on Attachment KyPSC-DR-01-025.

**WITNESS RESPONSIBLE:** Carl J. Council, Jr.

Duke Energy Kentucky  
Case No. 2006-00172  
Gas Leased Property  
As of December 31, 2007

Data:  Base Period  Forecasted Period  
Type of Filing:  Original  Updated  Revised  
Work Papers Reference No(s).:

Schedule 6  
Page 1 of 1  
Witness Responsible  
Carl Council

Identification or Reference Number	Description of Type and Use of Property	Name of Lessor	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
	Meters	Fleet Capital	Monthly	67,387	6,619,095	Per Regulatory and GAAP Guidelines
	Regulators	Fleet Capital	Monthly	34,612	3,399,839	Per Regulatory and GAAP Guidelines



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

**KyPSC-DR-01-026**

**REQUEST:**

26. List all property held for future use included in rate base in the format provided in Schedule 7. In addition, for each property listed, provide its expected in-service date and its expected use. Provide this information for both electric operations and total company operations.

**RESPONSE:**

As indicated on Schedule B-2.6 of Duke Energy Kentucky's application, Duke Energy Kentucky has no plant held for future use included in rate base.

**WITNESS RESPONSIBLE:** Carl J. Council, Jr.

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

**KyPSC-DR-01-027**

**REQUEST:**

27. Provide the information requested in Schedule 8 regarding Certain Deferred Credits, Accumulated Deferred Income Taxes, and Other Rate Base items included in the forecasted test-period rate base. Provide this information for both electric operations and total company operations.

**RESPONSE:**

See WPB-6b of Duke Energy Kentucky's application.

**WITNESS RESPONSIBLE:** William Don Wathen, Jr.

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

**KyPSC-DR-01-028**

**REQUEST:**

28. Provide the following monthly account balances and a calculation of the average (13 month) account balances for both the total company and the electric operations (original cost):
- a. Plant in Service.
  - b. Plant Purchased or Sold.
  - c. Property Held for Future Use.
  - d. CWIP (Separate this balance into CWIP eligible for capitalized interest and other CWIP).
  - e. Completed Construction Not Classified.
  - f. Accumulated Depreciation and Amortization.
  - g. Plant Acquisition Adjustment.
  - h. Amortization of Utility Plant Acquisition Adjustment.
  - i. Materials and Supplies.
  - j. Balance in Accounts Payable Applicable to each account in (i) above (If actual cannot be determined, give reasonable estimate).
  - k. Unamortized Investment Tax Credit – Pre-Revenue Act of 1971.
  - l. Unamortized Investment Tax Credit – Revenue Act of 1971.
  - m. Accumulated Deferred Income Taxes.
  - n. A Summary of Customer Deposits.
  - o. Computation and Development of Minimum Cash Requirements.
  - p. Balance in accounts payable applicable to amounts included in utility plant in service (If actual cannot be determined, give reasonable estimate).
  - q. Balance in accounts payable applicable to prepayments by major category or subaccount.
  - r. Balance in accounts payable applicable to amounts included in plant under construction (If actual cannot be determined, give reasonable estimate).
  - s. All Current Assets and Current Liability Accounts not included above.

**RESPONSE:**

See Attachment KyPSC-DR-01-028.

In response to Item 28(j): Duke Energy Kentucky estimates that 0.08% of Material and Supplies thirteen-month average balances are in Accounts Payable.

For further detail of Items 28(k), (l) and (m), see WPB-6b of Duke Energy Kentucky's application.

In response to Item 28(o): For the twelve months ending December 31, 2007, Duke Energy Kentucky estimates cash working capital requirements of \$16,360,829 for total company and \$13,972,420 for electric operations. See workpaper WPB-5.1a for calculation of working capital requirements.

**WITNESS RESPONSIBLE:** William Don Wathen, Jr.

Line No.	Month	Plant in Service <sup>(1)</sup> (a)	Plant Purchased or Sold (b)	Property Held for Future Use (c)	CWIP <sup>(2)</sup> (d)	Completed Construction Not Classified <sup>(3)</sup> (e)	Accumulated Depreciation & Amort. (f)	Plant Acquisition Adjustment (g)	Amortization of Plant Acquisition Adjustment (h)	Materials & Supplies (i)	
1	<b>Total Company</b>										
2	December 2006	1,444,591,319	0	0	3,375,217	0	632,705,721	0	0	8,640,274	
3	January 2007	1,446,667,311	0	0	8,458,024	0	636,070,259	0	0	8,640,274	
4	February	1,448,577,038	0	0	10,467,479	0	639,460,040	0	0	8,640,274	
5	March	1,450,712,672	0	0	13,018,208	0	642,831,711	0	0	8,640,274	
6	April	1,452,981,074	0	0	16,651,324	0	646,203,261	0	0	8,640,274	
7	May	1,455,678,632	0	0	17,907,730	0	649,427,675	0	0	8,640,274	
8	June	1,461,112,728	0	0	15,830,884	0	652,225,864	0	0	8,640,274	
9	July	1,463,272,787	0	0	17,410,475	0	655,616,809	0	0	8,640,274	
10	August	1,465,440,058	0	0	19,001,388	0	659,011,282	0	0	8,640,274	
11	September	1,468,418,656	0	0	19,511,392	0	662,258,445	0	0	8,640,274	
12	October	1,470,880,345	0	0	21,710,727	0	665,599,306	0	0	8,640,274	
13	November	1,474,286,264	0	0	22,532,420	0	668,737,632	0	0	8,640,274	
14	December	1,494,121,618	0	0	6,437,269	0	671,232,252	0	0	8,640,274	
15	Total	18,996,740,502	0	0	192,312,537	0	8,481,380,257	0	0	112,323,562	
16											
17	Average Balance	1,461,287,731	0	0	14,793,272	0	652,413,866	0	0	8,640,274	
18											
19	<b>Electric Operations</b>										
20	December 2006	1,113,352,478	0	0	(1,971,330)	0	525,604,596	0	0	8,467,889	
21	January 2007	1,114,391,476	0	0	2,027,837	0	528,067,027	0	0	8,467,889	
22	February	1,115,299,181	0	0	3,031,554	0	530,552,055	0	0	8,467,889	
23	March	1,116,341,309	0	0	4,576,796	0	533,016,582	0	0	8,467,889	
24	April	1,117,545,134	0	0	7,259,575	0	535,477,636	0	0	8,467,889	
25	May	1,119,224,431	0	0	7,501,730	0	537,788,965	0	0	8,467,889	
26	June	1,123,570,706	0	0	4,448,624	0	539,675,518	0	0	8,467,889	
27	July	1,124,694,406	0	0	4,963,240	0	542,147,866	0	0	8,467,889	
28	August	1,125,825,385	0	0	5,464,609	0	544,621,015	0	0	8,467,889	
29	September	1,127,705,321	0	0	4,959,944	0	546,943,698	0	0	8,467,889	
30	October	1,129,112,967	0	0	6,080,907	0	549,358,154	0	0	8,467,889	
31	November	1,131,420,663	0	0	5,878,899	0	551,567,845	0	0	8,467,889	
32	December	1,138,202,540	0	0	1,198,221	0	553,437,041	0	0	8,467,889	
33	Total	14,596,685,997	0	0	55,420,606	0	7,018,257,996	0	0	110,082,557	
34											
35	Average Balance	1,122,822,000	0	0	4,263,124	0	539,866,000	0	0	8,467,889	

<sup>(1)</sup> Includes Completed Construction Not Classified.

<sup>(2)</sup> All CWIP is subject to capitalized interest.

<sup>(3)</sup> Included with Plant in Service.

<sup>(4)</sup> Total Company includes Accumulated Deferred Income Taxes on Unrecovered Purchased Gas Cost.

Line No.	Month	Balance in A/P Applicable to M&S (j)	Unamortized ITC Pre 1971 (k)	Unamortized ITC Post 1971 (l)	Accumulated Deferred Income Taxes (4) (m)	Customer Deposits (n)	Cash Working Capital (o)	Balance in A/P Applicable to Plant-in Service (p)	Balance in A/P Applicable to Prepayments (q)	Balance in A/P Applicable to CWIP (r)	Other Current Assets & Liabilities (s)
<b>1</b>	<b>Total Company</b>										
2	December 2006	7,258	(28,960)	(6,604,716)	(148,278,644)	(3,887,940)	16,351,200	0	0	0	201,204,830
3	January 2007	7,258	(28,397)	(6,517,562)	(147,546,982)	(3,887,940)	16,351,200	0	0	0	273,711,884
4	February	7,258	(27,834)	(6,430,408)	(145,858,490)	(3,887,940)	16,351,200	0	0	0	202,556,383
5	March	7,258	(27,271)	(6,343,254)	(143,512,318)	(3,887,940)	16,351,200	0	0	0	143,847,179
6	April	7,258	(26,708)	(6,256,100)	(141,163,331)	(3,887,940)	16,351,200	0	0	0	99,200,697
7	May	7,258	(26,145)	(6,168,946)	(139,987,358)	(3,887,940)	16,351,200	0	0	0	76,400,268
8	June	7,258	(25,582)	(6,081,792)	(139,907,100)	(3,887,940)	16,351,200	0	0	0	120,664,591
9	July	7,258	(25,019)	(5,994,638)	(140,048,641)	(3,887,940)	16,351,200	0	0	0	195,334,470
10	August	7,258	(24,456)	(5,907,484)	(140,133,436)	(3,887,940)	16,351,200	0	0	0	219,401,488
11	September	7,258	(23,893)	(5,820,330)	(140,230,350)	(3,887,940)	16,351,200	0	0	0	179,968,589
12	October	7,258	(23,330)	(5,733,176)	(140,644,838)	(3,887,940)	16,351,200	0	0	0	103,721,119
13	November	7,258	(22,767)	(5,646,022)	(142,128,724)	(3,887,940)	16,351,200	0	0	0	113,766,203
14	December	7,258	(22,204)	(5,558,869)	(144,493,602)	(3,887,940)	16,351,200	0	0	0	207,236,054
15	Total	94,354	(332,566)	(79,063,297)	(1,851,933,814)	(50,543,220)	212,565,600	0	0	0	2,137,013,755
16	Average Balance	7,258	(25,582)	(6,081,792)	(142,456,447)	(3,887,940)	16,351,200	0	0	0	164,385,673
17											
18											
19	<b>Electric Operations</b>										
20	December 2006	7,113	0	(770,949)	(38,640,589)	(2,273,667)	13,962,791	0	0	0	123,951,423
21	January 2007	7,113	0	(758,963)	(38,739,958)	(2,273,667)	13,962,791	0	0	0	148,730,356
22	February	7,113	0	(746,977)	(38,797,189)	(2,273,667)	13,962,791	0	0	0	124,299,525
23	March	7,113	0	(734,991)	(38,805,299)	(2,273,667)	13,962,791	0	0	0	104,868,234
24	April	7,113	0	(723,005)	(38,862,417)	(2,273,667)	13,962,791	0	0	0	84,892,076
25	May	7,113	0	(711,019)	(39,397,566)	(2,273,667)	13,962,791	0	0	0	74,168,621
26	June	7,113	0	(699,033)	(39,821,538)	(2,273,667)	13,962,791	0	0	0	116,755,275
27	July	7,113	0	(687,047)	(40,272,129)	(2,273,667)	13,962,791	0	0	0	163,067,391
28	August	7,113	0	(675,061)	(40,665,702)	(2,273,667)	13,962,791	0	0	0	176,156,995
29	September	7,113	0	(663,075)	(41,041,219)	(2,273,667)	13,962,791	0	0	0	155,758,827
30	October	7,113	0	(651,089)	(41,319,899)	(2,273,667)	13,962,791	0	0	0	91,594,044
31	November	7,113	0	(639,103)	(41,672,430)	(2,273,667)	13,962,791	0	0	0	85,771,078
32	December	7,113	0	(627,118)	(41,941,065)	(2,273,667)	13,962,791	0	0	0	135,692,181
33	Total	92,469	0	(9,067,430)	(520,077,000)	(29,557,671)	181,516,283	0	0	0	1,585,706,026
34	Average Balance	7,113	0	(699,033)	(40,005,923)	(2,273,667)	13,962,791	0	0	0	121,977,387

(1) Includes Completed Construction  
(2) All CWIP is subject to capitalized  
(3) Included with Plant in Service.  
(4) Total Company includes Accumu

LINE NO.	MONTH	ACCOUNT 154090 (A) \$	ACCOUNT 154100 (A) \$	ACCOUNT 154110 (A) \$	ACCOUNT 154170 (A) \$	ACCOUNT 154300 (A) \$	ACCOUNT 154410 (A) \$	ACCOUNT 154550 (A) \$	ACCOUNT 154620 (A) \$	ACCOUNT 154630 (A) \$
<b>Total Company</b>										
1	December 2006	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
2	January 2007	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
3	February	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
4	March	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
5	April	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
6	May	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
7	June	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
8	July	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
9	August	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
10	September	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
11	October	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
12	November	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
13	December	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
14	Total	1,870,388	210,444	1,889,940	7,856,914	685,893	674,648	5,069,155	3,057,717	115,234,925
15										
16	Average Balance	143,876	16,188	145,380	604,378	52,761	51,896	389,935	235,209	8,864,225
17										
18	Allocated to Elec Dept.	0.00%	58.48%	100.00%	100.00%	58.48%	100.00%	100.00%	100.00%	100.00%
19										
<b>Electric Operations</b>										
21	December 2006	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
22	January 2007	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
23	February	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
24	March	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
25	April	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
26	May	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
27	June	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
28	July	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
29	August	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
30	September	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
31	October	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
32	November	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
33	December	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225
34	Total	0	123,071	1,889,940	7,856,914	401,115	674,648	5,069,155	3,057,717	115,234,925
35										
36	Average Balance	0	9,467	145,380	604,378	30,855	51,896	389,935	235,209	8,864,225

LINE NO.	MONTH	ACCOUNT 154640 (A) \$	ACCOUNT 154740 (A) \$	ACCOUNT 154760 (A) \$	ACCOUNT 154770 (A) \$	ACCOUNT 154900 (A) \$	ACCOUNT 154990 (A) \$	ACCOUNT 163000 (A) \$	ACCOUNT 163300 (A) \$	TOTAL M&S \$	
<b>Total Company</b>											
1	December 2006	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
2	January 2007	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
3	February	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
4	March	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
5	April	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
6	May	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
7	June	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
8	July	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
9	August	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
10	September	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
11	October	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
12	November	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
13	December	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
14	Total	100,516	0	0	(27,259,726)	69,849	(2,778,477)	(72,995)	5,714,371	112,323,562	
15											
16	Average Balance	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,615)	439,567	8,640,274	
17											
18	Allocated to Elec Dept.	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	97.90%	100.00%		
19											
20	<b>Electric Operations</b>										
21	December 2006	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
22	January 2007	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
23	February	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
24	March	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
25	April	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
26	May	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
27	June	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
28	July	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
29	August	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
30	September	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
31	October	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
32	November	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
33	December	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	
34	Total	100,516	0	0	(27,259,726)	69,849	(2,778,477)	(71,461)	5,714,371	110,082,557	
35											
36	Average Balance	7,732	0	0	(2,096,902)	5,373	(213,729)	(5,497)	439,567	8,467,889	



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

**KyPSC-DR-01-029**

**REQUEST:**

29. Provide a calculation of federal and state income tax expense for electric operations, including a reconciliation of book to taxable income for the base period and the forecasted period in the format provided in Schedule 9. Indicate whether the calculation reflects the income tax expense from a stand-alone or consolidated company basis.

**RESPONSE:**

See Schedule E-1 of Duke Energy Kentucky's application. This schedule reflects income tax expense on a stand-alone basis.

**WITNESS RESPONSIBLE:** Keith G. Butler

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

**KyPSC-DR-01-030**

**REQUEST:**

30. Provide a trial balance as of the last day of the base period showing account number, account title, and actual base period accounts. All income statement accounts should show activity for 12 months. Provide this information for both the electric operations and total company operations.

**RESPONSE:**

See Attachment KyPSC-DR-01-030. A balance sheet trial balance as of March 31, 2006 is on pages 1 through 5. A Total Company income statement is shown on pages 6 through 23. An electric operations income statement is shown on pages 24 through 38. Income statement account activity is included for April 2005 through March 2006. Budgeted data for electric operations accounts can be found on WPC-2.1a of Duke Energy Kentucky's application.

**WITNESS RESPONSIBLE:** William Don Wathen, Jr.

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
BALANCE SHEET AS OF MARCH 31, 2006

Account Number	Description	Company Amount	Electric Operations
101100	Common Plant In Service	24,559,927.75	12,267,683.91
101200	Gas Plant In Service	256,249,496.71	
101300	Plant in Service - Electric	990,520,152.16	990,520,152.16
101800	Regulated Plant In Service - Asset Retirement Obligati	710,224.31	710,224.31
101801	Gas Plant in Service ARO	1,745,998.00	
102000	Plant Purchased or Sold - Electric	0.00	0.00
106100	Completed Construction Not Classified	2,150,624.10	1,074,236.74
106200	Gas Completed Construction Not Class	22,292,270.97	
106300	Electric Completed Construction Not Class	59,187,413.87	59,187,413.87
107000	CWIP - Utility Plant	27,554,070.67	21,105,506.44
107500	Non-Reg CWIP - Electric	(0.00)	(0.00)
107530	Non-Reg CWIP - Other	0.00	0.00
108100	Common Accumulated Depreciation	(2,753,168.12)	(1,375,207.47)
108101	Common Accumulated Depreciation - Cost of Remove	39,462.76	19,711.65
108200	Gas Accumulated Depreciation	(71,105,097.31)	
108201	Gas Accumulated Depreciation - Cost of Removal	(15,218,913.28)	
108300	Electric Accum Prov Depreciation	(484,247,628.79)	(484,247,628.79)
108301	Electric Accumulated Depreciation - Cost of Removal	(19,826,736.94)	(19,826,736.94)
108410	Retirement Work In Progress	2,811,894.20	1,750,388.64
108500	Accumulated Depreciation - Electric	(0.00)	(0.00)
108800	Accumulated Reserve - Asset Retirement Obligation	(359,086.61)	(359,086.61)
108801	Gas Accumulated Reserve ARO	(645,948.23)	
108850	Nonutility Retirement WIP	0.00	0.00
111100	Common Accumulated Depreciation	(9,029,515.84)	(4,510,243.16)
111200	Gas Accumulated Depreciation	(1,066,168.82)	
111300	Electric Accumulated Depreciation	(1,346,772.31)	(1,346,772.31)
121700	Non-Utility Property	18,614,668.78	9,069,066.62
122700	Non-Utility Accumulated Depreciation	(6,703,741.23)	(3,266,062.72)
124060	Investment In Pendleton County	1,000.00	1,000.00
124090	Invest In Campbell Co Business Develop	1,500.00	1,500.00
124350	Investment In VEBA	0.00	0.00
124510	Deferred SO2 Purchases - Timing	0.00	0.00
131000	Cash	0.00	0.00
131001	Cash Account - PNC	6,306,328.00	6,306,328.00
131002	Cash Account - Fifth Third	281,234.16	281,234.16
131004	Cash Account - Huntington	500,321.59	500,321.59
131006	Cash Account - Other	861,951.95	861,951.95
135000	Working Funds - Miscellaneous	2,500.00	2,500.00
142020	Customer Accounts Receivable - Utility Service	42,007,810.21	42,007,810.21
142100	Accounts Receivable - Government Assistance	221,321.39	221,321.39
142120	Accounts Receivable - Reserve Capacity	6,164.56	6,164.56
142610	Customer Receivable - Payment Prot	401.54	401.54
142710	Customer Receivable - Energy Diver	137,015.58	137,015.58
142720	Customer Receivable - Temporary Electric	5,325.00	5,325.00
142800	Accounts Receivable - Passport Interface	982,894.14	982,894.14
142830	Accounts Receivable - Merchandising Jobbing And Cc	194,222.09	194,222.09
142880	Sale of Customer Receivables	(42,229,131.60)	(42,229,131.60)
143100	Other Accounts Receivable - Miscellaneous	385,654.70	385,654.70
143150	Other Accounts Receivable - Misc Non-Utility	61,247.08	61,247.08
143190	Other Accounts Receivable - Employees And Officers	0.00	0.00
143200	Other Accounts Receivable - Scrap Sales	0.00	0.00
143210	Other Accounts Receivable - Employee Payable Safet	868.52	868.52
143230	Other Accounts Receivable - Payroll Advances	0.00	0.00
143280	Accounts Receivable - Group Insurance	0.00	0.00
143350	Other Accounts Receivable - Damages And Claims	29,289.08	29,289.08
143605	Accounts Receivable - DPL CD/CCD Operations	2,959,721.91	2,959,721.91
143650	Accounts Receivable - DPL CD/CCD Capital Exp	113,343.00	113,343.00
143740	A/R - Tyrone Synfuel	275,838.58	275,838.58
143990	Other Accounts Receivable - Fitness Centers	(22,258.65)	(22,258.65)
143995	A/R Wholesale Pwr - Estimate	3,081,468.37	3,081,468.37
143997	A/R- SO2 And NOx	257,500.00	257,500.00
144000	Accrued Provision For Uncollected Accounts Receivat	(9,090.80)	171,824.79
144500	Uncollectible - Miscellaneous Accounts Receivable	(170,025.16)	(170,025.16)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
BALANCE SHEET AS OF MARCH 31, 2006

Account Number	Description	Company Amount	Electric Operations
101100	Common Plant In Service	24,559,927.75	12,267,683.91
145000	Notes Receivable - Affiliated Company	3,794,500.60	3,794,500.60
145890	Notes Receivable - Rp Cin Receivables	16,026,430.26	16,026,430.26
146000	Intercompany A/R	7,486,240.70	2,572,232.53
151196	Coal-MF 6 ULHP	2,033,313.72	2,033,313.72
151440	Gas - Woodsdale Station	(0.00)	0.00
151700	Coal - East Bend	5,978,159.58	5,978,159.58
151710	Oil - East Bend	764,493.66	764,493.66
151720	Coal - East Bend DPL	(1,853,229.47)	(1,853,229.47)
151730	Oil - East Bend DPL	(236,993.03)	(236,993.03)
151750	Fuel Stock- Propane Inventory	1,824,188.67	
151780	Propane - Woods	2,525,675.05	2,525,675.05
154090	Materials And Supplies Gas	143,355.23	
154100	Materials And Supplies Common	16,212.80	8,993.33
154110	Materials And Supplies Electric	152,167.20	83,251.50
154170	Materials And Supplies East Bend Lime	833,251.71	833,251.71
154300	Materials And Supplies Fuels and Misc	56,940.60	32,141.97
154410	Minor Material	46,271.87	22,605.97
154450	Materials And Supplies Miami Fort 7 And 8 100 Cd	0.00	0.00
154550	Gas Turbines	390,475.72	390,475.72
154620	Plant Material & Supply - Common CBU	231,771.26	231,771.26
154630	Plant Material & Supply - Electric CBU	9,012,335.06	9,012,335.06
154640	Material & Supplies Fuels and Misc - CBU	8,234.81	8,234.81
154740	Miami Fort Mechanical And Elec 5	0.00	0.00
154760	Miami Fort Coal Yard	0.00	0.00
154770	Materials And Supplies East Bend DPL	(2,203,511.57)	(2,203,511.57)
154900	FOB Ship Point	0.00	0.00
154990	Reserve For Loss On Parts	(229,931.08)	(229,931.08)
158110	SO2 EA Inventory Current Native	0.00	0.00
158130	SO2 Allow Inv-Current Non-Native	5,200,626.56	5,200,626.56
158210	Curr Allow Invty - NOx Native	951,733.25	951,733.25
163000	Stores Expense - Non Production	(28,149.31)	(55,287.35)
163200	Stores Expense - East Bend	228,181.89	228,181.89
163300	Stores Expense - Other Production	211,385.29	211,385.29
164110	Gas Stored Underground Current Colum	0.00	
165000	Prepayments	0.00	0.00
165010	Prepaid Insurance	0.00	0.00
165055	Margin Deposits FUTURES - Port Ops	177,151.11	177,151.11
165210	Prepayments-Tax Public Utility Comm	146,667.38	(60,544.31)
165900	Prepayment - Coal	1,558,904.35	1,558,904.35
165910	Prepayments - Fuel	6,424,910.06	6,424,910.06
172910	Rent Accounts Receivable - Other Misc	0.00	0.00
173000	Accrued Utility Revenue	15,611,000.00	15,611,000.00
173950	Accounts Receivable - Sold	(15,611,000.00)	(15,611,000.00)
175000	Energy Risk Management Assets-Current	39,371.00	39,371.00
181010	Unamort Debt Expense	2,071,310.22	1,510,910.53
181011	Unamort Debt Exp - Insurance	(74,869.26)	(20,097.61)
182300	Regulatory Asset - Fas 109	31,500,462.71	32,886,563.71
182303	ARO Other Regulatory Asset	31,737.13	31,737.13
182304	Gas ARO Other Regulatory Asset	5,299,323.73	
182376	Deferred Project Costs	1,291,570.87	1,285,003.74
182401	Deferred DSM Costs	(1,807,616.67)	15,119.89
182410	Deferred Misc Costs	(0.00)	97,443.18
182510	Work Force Reduction	1,530,917.00	1,530,917.00
182750	2005 Merger Transaction Costs	3,136,900.36	3,136,900.36
182910	LERP Delayed Cash Costs	105,980.00	
182940	ULHP 2006 Electric Rate Case	33,830.49	33,786.77
182950	ULHP 2005 Gas Rate Case	165,518.15	0.00
182975	Accelerated Main Replacement Program Study Costs	186,900.00	
183112	Prelim Sur And Invest New Gen	120,625.24	120,625.24
184100	Fringe Benefits Expense	(0.01)	(0.01)
184410	Transportation Exp - Need Vehicle ID	(16,549,644.51)	(16,749,461.92)
184420	Transportation Expense	16,647,263.84	16,553,545.21

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
BALANCE SHEET AS OF MARCH 31, 2006

Account Number	Description	Company Amount	Electric Operations
101100	Common Plant In Service	24,559,927.75	12,267,683.91
184600	Indirect Labor Clearing - Non-Union	(25,349.63)	(54,785.05)
184610	Indirect Labor Clearing - Union	(131,133.65)	(320,388.12)
184700	Clearing Account - CMS Feeder	5.98	5.98
185000	Temporary Facilities	(149,364.49)	(149,364.49)
186001	Misc Deferred Costs	29,018.28	29,018.28
186010	Misc Deferred Debit	(120,309.28)	(99,887.15)
186030	Deferred Debits-Customer Choice	5,529.44	5,529.44
186300	LT Lease Receivable	558,257.85	558,257.85
186456	Deferred Cost - Merchant Plnts	0.00	0.00
186500	Miscellaneous Deferred Debits	11,236.71	11,236.71
186620	Intangible Asset Association-Miscellaneous Receivable	14,053.00	14,053.00
186625	Intangible Asset Fas87-Qual Pension	1,078,872.00	1,078,872.00
186740	Debt Expense for FMB issued 2005	17,457.12	17,457.12
186750	2004 Accum Exp Shelf Registr	0.00	(34,793.58)
186760	Accum Exp - 2005 Issuance	13,783.34	9,603.19
186910	Journal Entry Rejects	0.00	(975.54)
186961	Materials And Stores-Materials Accounting	0.00	0.00
189010	Unamortized Loss On Reaquired Debt	2,092,530.00	2,111,483.22
190050	Accumulated Deferred FIT	4,129,511.68	1,205,889.28
190051	Accumulated Deferred FIT-OCI	1,250,743.51	913,270.35
190052	Accumulated Deferred SIT-OCI	228,099.10	141,287.26
190053	Accumulated Deferred FIT-Plant	3,397,753.50	828,880.50
190054	Accumulated Deferred SIT-Plant	383,775.36	53,185.36
190150	Accumulated Deferred SIT	869,200.61	(19,322.13)
191400	Unrecovered Purch Gas Cost	5,386,717.40	
191800	Unrecovered Purchased Gas - Unbilled Revenue	(5,268,700.00)	
201000	Common Stock	(8,779,995.00)	(4,440,043.47)
207000	Premium On Capital Stock Common	(18,838,945.92)	(9,526,854.95)
208000	Donations Received From Stockholders	(139,855,098.44)	(104,457,773.02)
208010	Donations Received From Stockholders Tax	(5,077,068.00)	(2,567,473.29)
211110	Paid In Capital - Sharesaver	156,194.18	78,987.40
216000	Unappropriated Retained Earning Balance	(176,600,154.57)	(243,295,818.76)
219100	OCI - Minimum Pension Liability	46,644.00	23,587.87
219101	OCI - Minimum Pension Liability - Federal Tax	(15,345.88)	(7,760.40)
219102	OCI - Minimum Pension Liability - State Tx	(2,798.64)	(1,415.27)
219103	OCI - Minimum Pension Liability - Qualified Plan	3,755,007.99	1,898,907.54
219104	OCI - Minimum Pension Liability - Federal Tax Qualifie	(1,235,397.63)	(624,740.58)
219105	OCI - Minimum Pension Liability - State Tax - Qualific	(225,300.48)	(113,934.46)
224010	Long Term Debt	(210,000,000.00)	(104,069,500.00)
226010	Unamortized Discount	970,092.25	652,317.82
227010	Noncurrent Capital Lease-Meter	0.00	(384,022.45)
227011	Noncurrent Capital Lease - Other	0.00	(17,144.10)
227020	Noncurrent Capital Lease-Meter	(8,799,102.15)	(5,170,352.42)
227021	Noncurrent Capital Lease - Other	(1,975,143.32)	(986,584.09)
228231	Injuries And Damages Reserve Provision	(450,998.49)	(304,199.17)
228300	Reserve-Fas 106 Life Postretirement Benefits	(1,191,403.04)	(1,191,403.04)
228380	Reserve-Fas 106 Medical/Dental Postretirement Bene	(5,633,292.20)	(5,633,292.20)
228390	Reserve-Fas 112 Postemployment Benefits	(147,758.68)	(147,758.68)
228395	Reserve-Fas 112 Postemployment Benefits Workers (	(242,213.00)	(242,213.00)
228440	Reserve - MGP Sites FERC 228	(2,019,333.88)	(2,019,333.88)
229300	Accumulated Provision - Retail Rate Refund	0.00	
230850	Asset Retirement Obligation	(8,158,454.20)	(1,759,080.70)
232003	Payable 401K Incentive Match	(18,419.47)	(18,419.47)
232005	Profit Sharing Payable Balanced Pension	(12,180.71)	4,465.37
232006	Profit Sharing Payable Investor Pension	16,643.44	16,643.44
232010	Electric EAP 10 customer charge collected and owed i	(20,407.70)	(20,407.70)
232011	Gas EAP 10 customer charge collected and owed to k	(15,696.80)	
232050	Accounts Payable Purchased Gas	(9,740,075.37)	
232110	Vouchers Payable	(6,962,419.62)	(6,962,419.62)
232121	Customer Refunds Payable	0.00	0.00
232140	Unvouchered Stock Materials Receipt	(164,515.35)	(164,515.35)
232145	FOB Ship Point Accrual	0.00	0.00

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
BALANCE SHEET AS OF MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>Company Amount</u>	<u>Electric Operations</u>
101100	Common Plant In Service	24,559,927.75	12,267,683.91
232151	Limestone And Freight Payable	(449,193.63)	(449,193.63)
232161	Coal And Freight Payable	(3,238,570.05)	(3,239,703.53)
232163	SO2 And NOx Accounts Payable	(1,000.00)	(1,000.00)
232171	Oil/Propane And Freight Payable	0.00	0.00
232181	Natural Gas Payable	(177,142.00)	(177,142.00)
232260	Accounts Payable Subsequent To Cutoff/Unvouchered	(69,609.00)	(51,017.50)
232310	Wages Payable	(208,855.66)	(208,855.66)
232311	Accrued Payroll & Compensation	0.00	0.00
232325	Accounts Payable Wintercare	(1,729.68)	(1,729.68)
232354	FSA-Dependent Care 2001	0.00	0.00
232355	FSA-Medical 2001	0.00	0.00
232360	Accounts Payable Fuel Funds - Customer Donations	(529.19)	(332.88)
232371	Medical - Active Employee	0.00	0.00
232372	Dental - Active Employee	0.00	0.00
232373	Supplemental Life - Active Employee	0.00	0.00
232374	Supplemental Long Term Debt - Active Employee	0.00	0.00
232376	FSA - Health Care	431.13	431.13
232377	FSA-Dependent Care 2000	(920.89)	(920.89)
232378	FSA-Medical 2000	3,815.24	3,815.24
232381	FSA - Vision	92.51	92.51
232610	Accounts Payable Utility Bill Insurance	76.09	76.09
232690	Deductions For Employee Contributions - 401K Plan	0.00	0.00
232710	Deductions For Purchase of US Savings	(207.50)	(207.50)
232755	A/P Wholesale Pwr - Actual	490,146.04	490,146.04
232795	Accounts Payable MISO Transmission Expense RB	(87,461.54)	(87,461.54)
232880	Union Employee Incentive Plan	(30,090.38)	(30,090.38)
232890	Accounts payable to Cinergy Receivables Company	0.00	0.00
232920	Annual Incentive Plan	(45,135.08)	(45,135.08)
232995	A/P Wholesale Pwr - Estimate	0.00	0.00
233000	Intercompany Notes Payable	(16,000,000.00)	(16,000,000.00)
233010	Intercompany Notes Payable-Long-Term	(60,720,000.00)	(60,720,000.00)
234000	Intercompany Accounts Payable	(16,575,382.27)	(16,429,752.80)
235000	Customer Deposits	(4,258,253.88)	(4,258,253.88)
236000	Accrued Payroll Taxes	29,771.30	29,771.30
236030	Accrued Federal Highway Use Tax	0.00	0.00
236050	Accrued FIT - Current Year	(4,539,781.78)	(2,522,678.78)
236060	Accrued FIT - Prior Year	(5,669,337.13)	(3,011,565.13)
236099	Accrued FIT - Other	237,406.00	237,406.00
236150	Accrued State/Local Income Tax	(910,628.76)	(512,455.76)
236160	Accrued State/Local Income Tax Payable	(756,863.95)	(304,543.95)
236190	Accrued State Highway Use Tax	(12.88)	(12.88)
236270	Accrued State Property Tax	(2,017,574.52)	(1,752,906.75)
236510	Accrued Sales And Use	1,071.94	1,071.94
236800	Accrued Franchise Tax	(1,800.00)	(1,800.00)
237010	Accrued Interest	(1,952,700.46)	(1,070,570.57)
237500	Accrued Interest - Intercompany Note Payable	(914,408.30)	(914,408.30)
241010	Emp Fed Ins Contrib Act Taxes	0.00	0.00
241020	Employees Fed Inc Taxes W/H	0.00	0.00
241050	Campbell Cty School Tax W/H	(102,356.47)	(102,356.47)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
BALANCE SHEET AS OF MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>Company Amount</u>	<u>Electric Operations</u>
101100	Common Plant In Service	24,559,927.75	12,267,683.91
241060	Kenton Cty School Tax W/H	(229,759.36)	(229,759.36)
241070	Pendleton Cty School Tax W/H	(7,806.45)	(7,806.45)
241090	Kentucky Sales Tax W/H	(353,025.54)	(353,025.54)
241100	State Income Tax Withheld	(45,483.04)	(45,483.04)
241110	Ohio Sales Tax W/H	0.00	0.00
241120	Boone Co School Tax W/H	(355,266.16)	(355,266.16)
241130	Williamstonw School Tax W/H	(2,712.05)	(2,712.05)
241140	Ludlow School Tax W/H	(13,613.20)	(13,613.20)
241150	Grant Co School Tax W/H	(17,011.06)	(17,011.06)
241160	Gallatin School Tax W/H	(5,427.41)	(5,427.41)
241170	Beechwood School Tax W/H	(18,808.48)	(18,808.48)
241180	Ft Thomas KY School Tax W/H	(53,843.70)	(53,843.70)
241190	Erlanger Elsmere KY School Tax W/H	(44,703.64)	(44,703.64)
241200	City of Wilder Franchise Tax W/H	(10,251.00)	(10,251.00)
241220	Emp Cty Adj Gross Inc Tax W/H	(79.19)	(79.19)
241400	Bellevue Franchise Fee W/H	(21,898.77)	(21,898.77)
241410	Covington Franchise Fee W/H	(147,500.97)	(147,500.97)
241420	Dayton Franchise Fee W/H	(16,944.79)	(16,944.79)
241430	Ft Thomas Franchise Fee W/H	13,291.43	13,291.43
241440	Glencoe Franchise Fee W/H	(234.01)	(234.01)
241450	Latonia Lakes Franchise Fee W/H	(625.68)	(625.68)
241460	Newport Franchise Fee W/H	(69,228.17)	(69,228.17)
241470	Taylor Mill Franchise Fee W/H	(11,732.31)	(11,732.31)
241480	Southgate Franchise Fee W/H	(3,063.29)	(3,063.29)
241490	Woodlaw Franchise Fee W/H	(608.79)	(608.79)
241900	Tax Col Pay - Cincy And Col	(915.96)	(915.96)
241920	Ohio Munis Tax Pay	(479.62)	(484.17)
241930	Ky Munis Tax Pay	(37,055.01)	(37,055.01)
242380	Retirement Bank Accrual	(1,088,551.36)	(778,443.32)
242850	Vacation Entitlement Reserve	(113,983.53)	(113,983.53)
242870	Franchise Fee Newport	0.00	300,541.89
242950	Claims Res - Retiree Medical	(42,461.12)	(22,340.06)
242955	Claims Res - Active Medical	(229,943.89)	(118,987.85)
242970	Claims Reserve - Active Dental	(37,961.30)	(24,689.70)
242975	Claims Res - Retiree Dental	(3,520.80)	(2,312.00)
243010	Current Capital Lease - Meters	0.00	(49,096.70)
243011	Current Capital Lease - Other	0.00	(598.55)
243020	Current Capital Lease - Meters	(1,179,474.97)	(693,059.50)
243021	Current Capital Lease - Other	(71,112.32)	(35,520.60)
252050	Gas Contributions Post 1992	(2,363,895.01)	0.00
253130	Gas Refunds And Recl Adj Due Cus	27,917.10	
253270	Supplemental Pension-Excess PI	(48,422.13)	(48,422.13)
253320	Energy Gift Certificates	(1,550.00)	(1,550.00)
253440	Add Min Liab - Mrp Excess Pens	(60,697.00)	(60,697.00)
253740	Tyrone Synfuel Rem Escrow	(270,151.90)	(270,151.90)
253840	Post Retire Ben - Health - DpAnd	22,424.26	22,424.26
253870	Pension Cost Adjustment FAS 87	(8,299,792.00)	(8,299,792.00)
253875	Pension Cost Adj-Fas87-Qualifi	(4,833,880.00)	(4,833,880.00)
253880	Pension Cost Adjust - DPL Sha	(97,726.88)	(97,726.88)
253910	Misc Deferred Credit	4,756.55	4,756.55
254300	Other Reg Liab FAS 109	(33,389,694.22)	(33,406,983.22)
255010	Accum Deferred Investment Tax	(2,312,205.00)	(895,203.00)
255200	Def ITC - Non-Regulated	(5,132,937.00)	(5,132,937.00)
282050	Accum Deferred FIT Other Property	(129,696,434.77)	(24,026,281.82)
282150	Accum Deferred SIT Other Property	(19,815,697.85)	(15,062,174.38)
283050	Accum Deferred FIT Other	169,195.72	(538,054.22)
283150	Accum Deferred SIT Other	(26,617.02)	(177,327.95)
		<u>0.00</u>	<u>0.00</u>

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401004	Non Utility Non Labor	0.00	79.53				100.00	(49.90)
403000	Depreciation Expense	1,443,317.11	1,438,085.86	1,441,888.66	1,459,771.65	1,478,272.44	1,483,904.33	1,493,811.24
403005	Depreciation Expense - ARO							
404201	Amort Exp - Limited Term	178,993.23	168,450.64	166,767.42	165,927.53	165,927.57	165,996.00	254,502.92
408020	Ohio Property Taxes - Prod							
408050	Kentucky Property Tax - Gas	376,667.00	15,367.00	196,017.00	196,017.00	109,998.00	(254,420.00)	196,017.00
408055	Kentucky Property Tax - Elec		361,300.00	180,650.00	180,650.00	101,247.00	(126,143.00)	180,650.00
408065	Ky Property Taxes - East Bend							
408090	West Virginia Property Tax-Gas	2,500.00	2,500.00	2,500.00	2,500.00	(1,486.00)	6,879.00	2,500.00
408220	Payroll Taxes - Non Utility	(5,343.75)	13,110.43	(8,812.30)	5,545.05	7,584.76	4,980.09	4,685.96
408240	Payroll Taxes-Joint Ownership							
408390	Ohio Franchise Tax		1,200.00					
408410	Social Security Taxes	115,269.04	85,153.52	111,344.30	96,247.83	100,541.22	99,162.99	98,860.69
408420	West Virginia License Tax			305.00				
408490	Indiana Highway Use Tax	195.15						16.47
408500	Federal Highway Use Tax - Gas					1,995.20		
408510	Federal Highway Use Tax - Elec					2,992.80		
408530	Ohio Highway Use	69.00			151.70			(13.44)
408550	Kentucky Highway Use	1,496.49			1,861.36			1,908.52
408590	Highway Taxes - Misc States							56.82
408740	Sales and Use Expense	34,574.23	75,757.82	37,724.26	(16,670.11)	8,014.12	5,981.17	7,705.17
409050	Federal Income Taxes Other Inc & Deduct	(2,333,480.00)	(2,294,383.87)	4,692,634.00	(904,108.13)	(317,402.82)	106,182.29	(44,674.00)
409060	Federal Income Taxes Utility Op Income	2,016,292.00	1,795,537.87	(6,770,451.00)	820,324.13	2,374,401.60	(1,354,545.66)	(635,136.81)
409150	State/Local Inc Taxes Other Inc & Deduct	(828,596.00)	(998,347.00)	1,759,682.00	(108,444.00)	(69,306.93)	(52,770.56)	(13,368.00)
409160	State/Local Inc Tax Exp Utility Op Inc	869,807.00	961,295.00	(2,078,147.00)	201,225.00	81,242.95	(80,178.22)	21,921.00
409980	Taxes Alloc From Serv Co - Gas Federal			(35,458.80)			18,728.06	
409985	Taxes Alloc From Serv Co - Gas State							
409990	Taxes Alloc From Serv Co-Elec Federal			53,830.90			(71,373.82)	
409995	Taxes Alloc From Serv Co-Elec State							
410050	Deferred FIT Other Inc & Deduct	1,098,943.09	(1,100,830.33)			(72.09)		
410060	Deferred FIT Utility Operating Inc	80,321.87	1,248,249.26	787,342.37	714,842.97	(1,456,154.81)	(167,992.98)	1,212,874.05
410150	Deferred SIT Other Inc & Deduct	15.48	(641.23)			(15.48)		
410160	Deferred SIT Utility Operating Inc	(45,486.07)	205,517.23	106,328.19	90,760.94	(118,212.70)	277,884.72	198,112.02
410980	Taxes Alloc From Svc Co - Gas			(41,402.04)			152,457.88	
410990	Taxes Alloc From Svc Co - Elec			62,853.48			53,593.42	
411050	Deferred FIT Credit Other Inc & Deduct			0.00		558,898.09		
411055	Deferred FIT Credit Other Inc & Ded TI 0	(42,172.00)		42,172.00				
411060	Deferred FIT Credit - Utility Op Inc	(426,263.93)	180,226.34	794,683.73	(310,338.79)	(231,103.92)	1,705,958.46	(123,590.79)
411065	Deferred FIT Credit - Util Op Inc TI 0			(84,344.00)	(21,086.00)	(21,086.00)	(21,086.00)	(21,086.00)



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411100	Accretion Expense ARO							
411150	Deferred SIT Credit - Other Inc & Deduct			(0.01)		123,115.75		
411160	Deferred SIT Credit - Utility Op Inc	(94,473.49)	40,282.14	163,165.51	(69,581.60)	362,073.37	4,531.63	(29,482.33)
411845	NOx Cmp Sale Prclds							
411846	NOx Cmp Sale Cost							
411847	SO2 Cmp Sale Prclds- Non-Native							
411848	SO2 Cmp Sale Cost- Non-Native							
411980	Taxes Alloc From Serv Co - Gas			32,337.52			11,888.09	
411990	Taxes Alloc From Serv Co-Elec			(49,092.40)			95,464.89	
415000	Rev - Jobbing & Contract Work	(70.00)			(30,181.00)		(3,548.54)	(13,907.41)
415100	Othr Inc-Misc Gas Jobbing Rev	(100.00)	(150.00)	(200.00)	50.00	(50.00)		(400.00)
415110	Othr Inc - Rev Cust Prop -Thir	(525.00)	(1,575.00)	(3,150.00)	(525.00)	(3,193.75)	(1,618.75)	(1,618.75)
415140	Othr Inc-Rev Track Assoc CATV	0.00						
415520	Othr Inc Electric Jobbing	(57,081.36)	(29,078.93)	(10,757.24)	(75,029.77)	(103,814.82)	(89,948.74)	(33,382.54)
416000	Exp-Jobbing & Contract Work	4,132.31	2,971.25	5,185.05	7,174.78	1,569.30	4,623.13	5,257.18
416100	Gas-Job&Contracts-Misc Gen Exp	(7,278.15)		7,920.62	(7,437.36)	756.14	(16,516.24)	(2,515.46)
416140	GasJob-Cust Prop Third Pty Exp	427.27	1,566.33	2,633.31	1,093.90	908.34	1,392.52	456.24
416150	Gas Job-Lighting Pilot Cu Exp	22.82	92.90	98.31	39.58	39.54	69.96	474.15
416170	Gas Jobbing Renew Serv 2 Exp	936.25	400.34	714.92	1,720.51	290.70		
416180	Gas Job-Install Serv 2 Exp	114.57	510.33	327.98	453.24	5.06	578.30	
416190	Gas Jobbing-Placement CATV Fa		14,956.28	5,213.59	14,412.31	5,692.75	12,447.83	6,510.40
416320	Elec Jobbing - Specific T&M	1,017.21	2,666.30	1,047.41	4,093.07	20,348.71	19,925.01	23,566.35
416330	Elec Job-Specific Flat Charge	2,484.27	5,553.14	9,130.02	(4,876.91)	7,135.69	2,822.56	18,106.42
416562	ED Nonutil Chge-Non Labor Tax	24.83						
417000	Non-Utility Revenue	0.00	0.00	0.00	(7,746.90)	12,618.08	0.00	0.00
417001	Non-Utility Service Revenue	0.00	0.00	(500.00)	(769.23)	531.23	(2,434.00)	(500.00)
417003	Non-Utility Misc Svc Rev-Other	0.00	0.00	0.00				
417501	Nonreg Misc Svc Rev -Other				(24,931.59)	20,060.41	0.00	0.00
418002	Nonop Rental Inc - Florence				(69,959.00)	(69,959.00)	(400,504.47)	(77,203.21)
418012	Non Oper Depr - Florence Fac	113,241.40	113,241.40	113,380.92	113,380.92	113,380.92	113,380.92	113,380.92
419000	Intercompany Interest Income	(52,267.16)	(59,264.28)	(63,669.15)	(224.34)	(30,718.86)	(29,097.82)	(20,103.71)
419040	Interest Income	(30.77)	(2.62)	(2.32)	(152.27)	(2.39)	(2.18)	(9.51)
419230	Interest Income - Earned Carry	1,750.01	(11.67)	(207.55)	(11.66)	(8.92)	(0.51)	(8.92)
419575	Int Inc-VEBA		(3.62)					
419890	Int Inc-Cin Rec Co LLC	(159,421.62)	(116,653.11)	(111,098.21)	(160,232.96)	(186,248.77)	(150,825.53)	(138,833.12)
419920	AFUDC Equity	(57,735.37)	(64,136.50)	(70,444.25)	(60,014.37)	(19,503.81)	(57,002.50)	(75,778.45)
421000	Misc Non Oper Inc-Other	(65.28)	(10,892.35)			(868.29)		
421200	Loss On Disposal of Property							601.85
421530	Power Trading Reserve-MTM Gain							

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426100	Donations	1,524.09	1,770.55	3,449.22	780.59	641.30	589.99	904.09
426300	Penalties	657.00			133.55			
426410	Misc Inc Deduct - Civic/Poli	15,928.87	10,201.47	13,251.29	11,864.14	11,858.21	9,486.51	23,420.11
426510	Income Deductions - Other	1,872.66	757.41	705.04	1,068.52	1,125.73	802.86	1,219.13
426520	Sale Of A/R Fees	106,734.83	111,978.12	97,336.36	82,820.89	101,011.90	101,460.13	111,072.67
426551	VEBA Trust - Expenses		258.80	37.50				
427010	Interest Exp On Long Term Debt	507,430.55	507,430.55	504,467.59	501,875.00	501,875.00	501,875.00	501,875.00
428010	LT Debt Discount / Exp Amort	29,486.75	29,486.75	29,486.75	29,486.75	29,486.75	29,486.75	29,486.75
428011	LT Debt Discount / Exp Amort	(2,994.77)	(2,994.77)	(2,994.77)	(2,994.77)	(2,994.77)	(2,994.77)	(2,994.77)
430000	Intercompany Interest Expense			2,732.95	18,320.53	1,415.16	4,117.96	8,041.95
431000	Interest Expense			216.14			237.62	
431020	Interest Exp-Cust Service Dep	18,307.95	19,103.33	18,369.75	19,502.60	19,584.91	19,009.73	19,629.64
431070	Interest Exp-Refunds-Adjust	92.50	319.69		125.46			1.71
431130	Interest Exp - Capital Lease	40,301.13	39,936.57	39,570.26	39,202.23	38,832.46	38,460.91	38,087.63
431550	Interest Exp-Assign From Svc	(2,284.41)	(5,132.43)	(4,521.44)	(10,991.02)	(7,583.23)	(1,419.77)	(2,754.01)
432000	AFUDC Debt	(14,599.93)	(15,971.24)	(18,268.63)	(15,774.96)	(17,997.20)	(13,874.44)	(17,917.72)
432300	Capitalized Interest-Elec Prod							
432500	Capitalized Interest	(6,449.26)	(4,652.96)	(2,777.16)	(3,566.87)	(4,412.50)	(5,556.75)	(6,748.23)
440500	Elec Rev Residential - General	(4,686,091.00)	(4,225,491.18)	(5,599,227.39)	(7,823,881.72)	(8,294,756.88)	(7,218,140.64)	(4,962,931.30)
440510	Elec Rev Residential-Unbilled	486,000.00	(245,000.00)	(1,943,000.00)	(607,000.00)	(104,000.00)	1,542,000.00	647,000.00
440601	Res Base Fuel	(1,861,858.44)	(1,623,528.11)	(2,080,555.83)	(2,952,667.41)	(3,137,973.32)	(2,717,604.41)	(1,985,068.59)
440602	Res Fuel Clause	248,370.74	216,178.86	275,895.01	391,197.71	415,370.05	359,678.66	262,702.12
440603	Res DSM	(167,723.53)	(146,368.80)	(187,433.78)	(266,352.34)	(282,972.95)	(245,080.22)	(178,739.48)
442500	Elec Rev Commercial - General	(4,398,769.18)	(4,375,562.16)	(5,020,802.03)	(5,423,203.93)	(5,309,414.36)	(5,861,959.16)	(4,822,459.03)
442510	Elec Rev Commercial - Unbilled	136,000.00	(495,000.00)	(349,000.00)	(146,000.00)	(335,000.00)	419,000.00	157,000.00
442550	Elec Rev Industrial - General	(2,106,956.67)	(2,124,261.21)	(2,463,990.08)	(2,587,611.31)	(2,718,708.83)	(2,717,537.36)	(2,354,388.95)
442560	Elec Rev Industrial - Unbilled	14,000.00	(282,000.00)	(81,000.00)	(132,000.00)	(229,000.00)	311,000.00	(17,000.00)
442601	Com Base Fuel	(1,957,239.07)	(1,932,233.14)	(2,246,623.80)	(2,481,467.40)	(2,349,464.77)	(2,609,925.54)	(2,179,895.31)
442602	Com Fuel Clause	254,839.16	251,832.53	292,625.68	323,134.40	301,017.78	348,042.69	285,253.22
442603	Com DSM	29,787.94	29,628.34	34,849.13	38,873.86	36,395.48	41,893.42	34,021.81
442651	Ind Base Fuel	(1,173,006.46)	(1,161,392.43)	(1,292,716.16)	(1,300,573.44)	(1,371,913.80)	(1,389,045.82)	(1,273,343.13)
442652	Ind Fuel Clause	146,107.89	144,953.83	158,563.58	161,911.14	171,545.96	171,970.91	159,682.50
442653	Ind DSM	16,697.01	16,457.48	18,329.85	18,651.74	19,563.73	19,742.98	17,852.35
444500	Public St And Highway Lighting	(99,353.43)	(98,727.39)	(98,255.71)	(98,110.19)	(98,292.69)	(98,748.94)	(97,786.09)
444601	SL Base Fuel	(30,004.38)	(29,739.52)	(29,595.23)	(29,545.60)	(29,611.65)	(29,871.79)	(29,224.88)
444602	SL Fuel Clause	3,983.15	3,947.99	3,928.91	3,922.31	3,931.03	3,965.41	3,879.99
444603	SL DSM	33.42	28.70	26.19	25.29	26.36	31.00	32.49
445500	Sales Pub Authority Muni Pump	(14,777.81)	(12,380.69)	(11,944.12)	(13,458.00)	(13,122.46)	(12,699.04)	(260.07)
445510	Sales Public Authority Other	(912,733.89)	(939,620.66)	(1,011,162.61)	(1,027,904.11)	(1,249,578.14)	(1,189,741.87)	(1,091,673.50)

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445520	Sales Public Authority-Unbill	48,000.00	(150,000.00)	(82,000.00)	(9,000.00)	(107,000.00)	55,000.00	43,000.00
445601	OPA Base Fuel	(442,500.65)	(454,540.00)	(481,425.84)	(516,467.69)	(593,404.55)	(568,628.17)	(518,817.73)
445602	OPA Fuel Clause	55,625.23	56,589.96	60,092.74	66,053.77	75,229.65	71,625.11	65,235.59
445603	OPA DSM	6,107.16	6,124.30	6,628.08	7,308.41	8,258.18	8,080.40	7,142.32
447010	Elec Rev - I/C sales							
447810	Elec Rev - Non-native sales							
447931	Sales For Resale-Futures							
448500	Inter Dept Sales - Elec	(4,624.90)	(7,601.72)	(10,354.37)	(13,303.92)	(14,257.30)	(16,586.04)	(15,597.32)
450000	Late Payment Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00
451010	Misc Service Revenues	(2,134.43)	(2,407.09)	(2,408.41)	(2,385.70)	(2,333.99)	(3,200.62)	(4,153.76)
451020	Misc Rev Reconnection Charge	(5,806.50)	(5,079.00)	(7,675.50)	(4,590.00)	(5,004.00)	(6,631.50)	(5,158.50)
451040	Temporary Facilities	(325.00)		(640.00)				
451050	Misc Rev Cust Diversn Exp	(310.34)	(320.34)	(374.19)	(786.17)	(600.84)	(857.88)	(1,487.32)
451060	Misc Rev Bad Check Charge	(1,584.00)	(1,606.00)	(1,551.00)	(2,112.00)	(1,320.00)	(1,556.50)	(1,688.50)
454010	Rent Elec Land And Buildings			(69,959.00)	69,959.00			
454020	Rent Elec Other Equipment	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)
454050	Rent From Elec Prop CATV							(24.00)
454100	Pole Contact Rentals		(60.20)	(112.00)	(57.50)	(135,232.20)		(58.00)
454160	Rent Land Elec Prop Net CCD							
454200	Other Rent-Electric Property	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)
454710	Rent Common Facilities Units 7							
454850	Cost of Capital Overhead - ED	(0.77)	(39.23)	(30.74)	(19.14)	(30.88)	(211.46)	(102.03)
456025	RSG Revenue - MISO Make Whole							
456040	Sales Use Tax Coll Fee	(4,758.08)	(4,099.92)	(3,756.78)	(3,896.71)	(899.40)	(899.39)	(899.40)
456075	Data Processing Service	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)
456350	Fuel Management Revenues							
456855	I/C Transmission Revenue	(18,160.45)	(17,231.75)	(23,689.44)	(24,905.76)	(23,466.64)	(20,420.35)	(17,754.24)
480400	Residential Sales Gas	(1,691,271.53)	(1,439,974.66)	(1,031,633.70)	(972,486.29)	(951,176.04)	(974,658.34)	(1,269,562.03)
480410	Residential Unbilled Gas	1,886,000.00	1,175,000.00	679,000.00	(289,000.00)	(121,000.00)	(275,000.00)	(3,006,000.00)
480603	Res DSM	(202,468.24)	(113,638.41)	(52,832.50)	(41,351.71)	(35,856.26)	(38,591.03)	(45,887.01)
480620	Res Gas Cost Recovery	(5,393,211.99)	(2,945,585.47)	(1,336,772.02)	(1,071,862.28)	(958,851.56)	(1,119,845.43)	(1,656,447.97)
480623	Res Accelerated Main Replacement Program	(287,546.44)	(285,557.50)	(284,135.97)	(282,689.58)	(281,419.88)	(281,299.12)	(1,692.42)
481400	Commercial Sales Gas	(620,492.84)	(413,531.91)	(294,651.91)	(255,072.23)	(250,031.32)	(252,677.02)	(341,070.50)
481410	Commercial Unbilled Gas	525,000.00	526,000.00	172,000.00	(90,000.00)	(36,000.00)	(176,000.00)	(698,000.00)
481450	Industrial Sales Gas	(111,720.85)	(98,266.33)	(63,857.37)	(64,781.18)	(33,593.94)	(90,070.21)	(62,914.65)
481460	Industrial Unbilled Gas	74,000.00	89,000.00	17,000.00	(16,000.00)	12,000.00	(96,000.00)	(96,000.00)
481603	Com DSM	(6,946.00)	(4,296.97)	(2,238.48)	(1,705.13)	(1,505.24)	(1,633.09)	(2,090.43)
481620	Com Gas Cost Recovery	(2,181,530.55)	(1,236,557.53)	(738,832.64)	(614,503.34)	(604,400.64)	(691,586.25)	(977,813.65)
481623	Com Accelerated Main Replacement Program	(93,520.39)	(92,551.87)	(92,511.40)	(92,408.61)	(91,314.91)	(91,496.88)	(295.10)

DUKE ENERGY KENTUCKY  
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Account Number	Description	April-05	May-05	June-05	July-05	August-05	September-05	October-05
481660	Ind Gas Cost Recovery	(416,748.22)	(290,719.59)	(221,523.25)	(227,614.63)	(168,370.63)	(230,241.38)	(311,485.14)
481663	Ind Accelerated Main Replacement Program	(3,497.61)	(3,441.44)	(3,375.22)	(3,353.22)	(3,364.32)	(3,346.57)	
482400	Public Str/Hgwy Lighting Gas	(25.19)	(25.19)	(25.59)	(26.41)	(25.19)	(25.59)	(72.72)
482450	Other Sales To Pub Authority Gas	(61,620.36)	(62,269.42)	(33,241.76)	(27,040.16)	(23,851.02)	(27,146.67)	(51,626.13)
482460	Other Sales To Pub Auth Unbill	188,000.00	97,000.00	39,000.00	(26,000.00)	(6,000.00)	(71,000.00)	(168,000.00)
482620	SL Gas Cost Recovery	(38.62)	(39.84)	(39.44)	(43.94)	(40.86)	(46.72)	(60.30)
482653	OPA DSM	(15.31)	(3.96)	(1.35)	(0.56)	(0.53)	(0.49)	(0.46)
482660	OPA Gas Cost Recovery	(438,293.44)	(227,460.69)	(104,570.35)	(83,599.14)	(74,613.62)	(97,153.75)	(153,493.16)
482663	OPA Accelerated Main Replacement Program	(5,463.02)	(5,434.36)	(5,434.36)	(5,458.20)	(5,429.31)	(5,421.51)	
484400	Inter Departmental Sales Gas	(5,703.68)	(2,979.94)	(2,444.01)	(1,497.34)	(1,246.08)	(2,039.53)	(2,783.78)
487000	Late Payment Charge Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
488010	Misc Service Revenue - Gas	(15.00)	(15.00)	(15.00)	(15.00)	(15.00)	(15.00)	185.00
488020	Misc Rev Reconn Charges Gas	(886.50)	(759.00)	(1,300.50)	(900.00)	(1,029.00)	(1,231.50)	(2,053.50)
488030	Misc Gas Rev Erlanger Gas Plt	(36,595.00)	(36,595.00)	(36,595.00)	(36,595.00)	(36,595.00)	(36,595.00)	(36,595.00)
488040	Misc Rev Cust Diversn Exp Gas		(71.49)	(48.77)				
488060	Misc Rev Bad Check Charge Gas	(1,045.00)	(1,023.00)	(979.00)	(1,254.00)	(803.00)	(995.50)	(1,006.50)
489000	Rev Transp Gas of Others	(87,638.02)	(40,807.94)	(80,639.23)	(74,784.56)	(88,894.71)	(79,472.03)	(99,550.89)
489010	Rev Transp of Gas - I/C	(54,828.00)	(54,828.00)	(54,828.00)	(54,828.00)	(54,828.00)	(54,828.00)	(54,828.00)
489023	Transp Accelerated Main Replacement		(57,039.20)	(10,932.08)	(9,883.45)	(9,060.06)	(9,648.29)	(9,875.32)
489110	Rev Firm Transp Agm-Commer Bld	(31,245.22)	(234.06)	(17,105.55)	(16,245.42)	(17,465.63)	(17,752.37)	(25,639.15)
489115	Comm Rev Transp-Unbilled	(6,000.00)	12,000.00	2,000.00	(1,000.00)	0.00	0.00	(13,000.00)
489120	Rev Firm Transp Agreements - I	(166,223.37)	(20,870.66)	(116,722.49)	(117,211.24)	(140,836.36)	(129,468.00)	(147,496.46)
489125	Indust Rev Transp-Unbilled	(20,000.00)	37,000.00	(9,000.00)	8,000.00	(7,000.00)	(21,000.00)	(35,000.00)
489130	Rev Firm Transp Agree - Other	(25,121.65)	8,463.74	(5,806.16)	(6,885.46)	(4,031.82)	(7,549.70)	(15,789.51)
489135	Other Rev Transp-Unbilled	(4,000.00)	12,000.00	2,000.00	1,000.00	0.00	(3,000.00)	(5,000.00)
489160	Com Transp Gas Cost Recovery	2,291.97	(4,252.85)	(317.82)	(114.50)	(95.95)	(55.12)	(3.32)
489163	Com Transp Accelerated Main Replacement		(27,645.93)	(2,575.86)	(1,605.71)	(1,351.43)	(1,503.15)	(1,638.70)
489170	Ind Transp Gas Cost Recovery	87.01	(200.17)	(29.02)	(30.74)	(31.21)		
489173	Ind Transp Accelerated Main Replacement		(124,844.95)	(16,269.04)	(14,646.12)	(14,287.83)	(15,759.52)	(14,695.92)
489183	Oth Transp Accelerated Main Replacement		(24,203.39)	(1,546.89)	(514.25)	(466.04)	(458.95)	(506.56)
493040	Rent Land And Buildings-Affil	(2,848.00)	(2,848.00)	(2,848.00)	(2,848.00)	(2,848.00)	(2,848.00)	(2,848.00)
495020	Sales Use Tax Collect Fee	(3,177.39)	(2,737.85)	(2,508.70)	(2,602.19)	(600.55)	(600.60)	(600.62)
495030	Gas Losses Damaged Lines				(10,065.27)			
496100	Provision for rate refunds							
500000	Supervision And Engineering							
501008	Fuel Handling Expense							
501020	Fuel Procurement And Handling							
501109	Coal-Miami Fort Units 5-7							
501116	Coal-East Bend Station							

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<u>Account Number</u>	<u>Description</u>	<u>April-05</u>	<u>May-05</u>	<u>June-05</u>	<u>July-05</u>	<u>August-05</u>	<u>September-05</u>	<u>October-05</u>
501202	Fuel Oil-Miami Fort Units 5-7							
501215	Fuel Oil - East Bend Station							
501300	Residual Disposal Costs							
501302	Residual Disposal Expense - NE							
501304	Reimb Assoc With Residual Disp							
501996	Non Native Load Fuel Expense							
501997	Contra Non Native Load Fuel Exp							
502000	Steam Expenses							
502040	Cost of Lime							
505000	Electric Expenses							
506000	Miscellaneous Steam Power Exp	622.34	566.48	823.95	512.99	540.26	440.50	447.46
507000	Rent Expense - Steam Power							
509010	SO2 Emission Expense - Native							
509030	SO2 Emission Expense-NonNative							
510000	Maint - Supervision/Engineer							
511000	Maintenance of Structures							
512000	Maintenance of Boiler Plant							
512030	Maint of Boiler Plant - FGD							
512100	Removal - Boiler Plant							
512251	Maint of Boiler Plant-TM Over							
513000	Maintenance of Electric Plant	1,697.89	26.61					233.56
514000	Maint Misc Steam Plant							
546000	Other Power - Supv/Engr Labor							
547303	Gas Purchases From CMT							
547501	Woodsdale Gas							
547701	Woodsdale Propane Gas							
548000	Other Power-Ops Generation Exp							
549000	Misc Other Power Gen Exp							
549115	Misc Other Power Gen Exp I/C							
551000	Other Pwr - Maint Supv/Engr							
552000	Other Pwr - Maint of Structure							
553000	Other Pwr-Maint Genrating/Elec	38.47						
554000	Other Pwr - Maint Misc Equip							
554100	Removal - Oth Pwr Misc Equip							
555000	Purchased Power				125,659.27	342.73	2,145.19	903.77
555010	Purch Pwr - I/C - gross	11,675,416.72	12,078,024.88	16,182,177.28	17,714,788.48	17,381,960.08	13,882,633.88	12,605,117.84
555019	Purch Pwr - I/C - net							
555020	Other Pwr Supply - Purch Power				(79,826.22)			
555200	Purch Pwr - Native Load - gross							

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556000	System Control / Load Dispatch	298.48		458.14	177.81	(99.70)	353.73	242.62
557000	Other Power Supply Expenses							
560000	Operation Supervision/Engineer	2,586.57	2,855.16	3,903.04	3,738.70	4,027.82	3,720.88	9,777.37
561000	Load Dispatching	72,731.91	83,311.93	98,809.18	108,703.44	104,612.12	90,248.66	94,215.14
562000	Station Expenses	(881.95)	2,303.74	2,693.85	4,443.04	2,282.87	2,861.64	2,793.28
563000	Overhead Line Expenses	1,610.83	301.04	309.94	435.01	996.96	840.89	514.50
565855	Tran Elec By Oth - ED- Interco	1,059,875.34	1,074,887.94	1,866,043.15	1,817,172.06	1,569,605.45	1,476,886.23	1,250,975.77
565860	Tran Elec By Oth - EC							
566000	Miscellaneous Transmission Exp	18,848.73	19,132.85	27,657.72	26,898.99	28,693.90	23,583.46	21,304.38
567010	Rents - Interco - CGE	77.00	77.00	77.00	77.00	77.00	77.00	77.00
568000	Maintenance Superv/Engineeri	1,830.53	2,134.66	2,073.00	1,895.13	2,172.00	2,153.84	235.46
569000	Maintenance of Structures	334.08		221.36	655.82	753.02	163.21	806.38
570000	Maint Of Station Equipment	8,690.76	4,769.35	7,480.65	3,384.46	2,934.96	2,363.87	4,497.71
570860	Maint Of Substation Equipment							
571000	Maintenance Of Overhead Lines	20,405.15	37,196.88	4,813.47	4,489.53	11,586.09	5,272.15	6,349.94
573000	Maint Of Misc Trans Plant			(4.90)				
580000	Ops Supv/Engr - Distr Sys	25,675.50	27,688.82	27,541.68	28,998.69	28,017.94	29,300.44	19,334.90
581000	Load Dispatch-Dist of Elec	15,434.63	13,205.93	15,837.38	15,639.48	15,430.85	19,338.66	16,067.68
582000	Station Exp-Distribution Sys	953.27	1,054.76	2,350.38	9,943.67	3,906.74	2,714.30	3,482.26
583000	Ovhd Line Exp-Distribution Sys	26,580.57	28,872.83	43,333.77	29,019.96	36,912.83	25,089.94	2,213.80
584000	UG Line Exp - Distribution Sys	10,549.98	17,389.61	16,166.93	7,899.61	14,249.24	18,562.33	(1,098.40)
585000	Street Lighting/Signal System		885.12	489.96			677.93	
586000	Meter Expenses	11,919.58	382.50	12,607.59	7,256.75	(2,843.44)	(8,645.63)	17,824.63
587000	Customer Installations Expense	23,485.68	28,920.91	29,602.96	37,823.51	37,850.92	35,918.76	38,159.96
588000	Miscellaneous Distribution Exp	15,787.60	22,848.35	17,045.01	16,170.18	19,032.58	14,738.33	13,263.10
589010	Rents - Interco - CGE	41,244.00	41,244.00	41,244.00	41,244.00	41,244.00	41,244.00	41,244.00
590000	Maint Supv/Engr-Dist Sys	18,899.85	19,868.72	20,870.31	19,911.64	11,110.08	18,134.12	4,032.55
591000	Maintenance of Structures	4,869.97	1,899.77	968.52	1,806.99	2,039.72	602.30	1,351.87
592000	Maint Of Station Equipment	32,811.34	102,917.25	18,387.38	21,050.46	20,146.12	42,345.98	13,843.49
593000	Maintenance Of Overhead Lines	133,998.84	348,614.35	485,393.14	118,498.31	121,760.61	182,179.71	138,699.51
594000	Maint Of Underground Line	14,726.77	6,597.38	18,309.53	19,914.53	17,625.83	10,078.30	17,992.46
595000	Maint Of Line Transformers	5,390.89	12,409.61	5,823.59	13,114.22	8,990.69	7,503.70	(765.80)
596000	Maint Of Street Lights/Signals	14,358.76	14,701.83	14,622.32	13,158.84	14,455.60	17,012.46	11,639.93
597000	Maintenance Of Meters	13,370.83	9,761.42	15,315.76	17,984.99	19,934.87	21,083.64	14,920.52
598000	Maint Misc Distribution Plant		3,597.11	327.67	5,322.80	556.92	2,525.77	915.63
711000	Gas Boiler Labor	325.06	195.56	59.12	42.79	33.27	63.81	167.17
712000	Gas Production-Other Power Exp	36.96	161.70	31.03	175.29	93.85	169.09	6.21
717000	Liq Petro Gas Exp-Vapor Proc	5,975.80	7,460.01	7,854.24	8,019.04	7,820.22	5,282.94	5,605.70
728003	Liq Prop Gas Exp Erlang/Consta					(2,264.09)		

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Account Number	Description	April-05	May-05	June-05	July-05	August-05	September-05	October-05
735000	Gas Misc Production Exp	65.62	167.55	12.86	12.86	688.12	548.34	568.98
742000	Maint Gas Production Equipment	859.07	1,186.99	1,270.24	2,816.76	10,621.52	7,275.96	4,512.46
801000	Natural Gas Field Line Purch	5,185,964.10	3,355,249.43	1,708,060.23	1,998,442.49	2,124,329.50	2,632,343.01	7,166,299.67
801010	Natural Gas Field Ln Purch-I/C							
805000	Unrecovered Purchase Gas Adj	2,655,166.79	1,258,796.76	619,920.60	(59,696.78)	(406,191.18)	(504,921.47)	(4,138,396.72)
805200	Purchase Gas Cost Unbilled Rev	(2,025,630.00)	(1,456,984.00)	(675,750.00)	183,583.00	82,224.00	523,122.00	2,660,103.00
807000	Gas Purchased Expenses	24,884.66	29,028.17	21,581.83	27,453.02	20,662.32	19,802.15	20,066.07
807010	Gas Purchased Expenses - I/C	4,837.94	5,229.61	4,805.90	4,855.15	5,240.97	7,694.61	3,934.79
859000	Other Exp-Trans Sys Equip/Exp	162.05		569.29				
870000	Distribution Sys Ops-Supv/Engr	1,956.59	15,967.96	5,795.04	6,757.45	10,809.68	14,483.59	12,812.97
871000	Distribution Load Dispatching	5,809.10	6,131.13	6,047.84	5,840.24	5,542.71	7,839.11	7,864.01
874000	Mains And Services	137,010.27	96,744.55	106,289.40	130,818.80	180,474.52	97,072.94	96,070.91
875000	Measuring And Reg Stations-Gen	6,817.31	3,403.50	2,012.87	1,516.39	919.75	1,142.25	231.71
876000	Measuring & Reg Station-Indust	4,815.07	4,768.42	2,238.08	1,213.41	1,180.54	493.97	1,224.21
878000	Meter And House Regulator Exp	46,123.55	(140,439.73)	60,740.93	(55,931.23)	(11,205.20)	(1,458.16)	52,097.96
879000	Customer Installation Expenses	104,511.68	69,047.41	58,632.39	48,916.09	49,748.20	39,967.63	(32,567.21)
880000	Gas Distribution-Other Expense	28,300.40	53,314.12	61,552.21	61,686.38	66,578.64	67,486.24	65,713.57
881020	Rents Interco - Buildings	13,599.00	13,599.00	13,599.00	13,599.00	13,599.00	13,599.00	13,599.00
881040	Gas Dist -Rents Interco-Microw	10,425.00	10,425.00	10,425.00	10,425.00	10,425.00	10,425.00	10,425.00
881050	Gas Dist Rents I/C - Stores	8,278.00	8,278.00	8,278.00	8,278.00	8,278.00	8,278.00	8,278.00
885000	Maint Dist Sys Fac- Supv/Engr	6,451.80	5,957.37	6,532.37	6,048.95	5,883.11	6,624.13	4,966.30
887000	Maintenance of Mains	75,774.23	66,461.68	110,695.94	110,186.87	189,676.44	45,636.75	61,254.94
889000	Maint-Meas/Reg Stn Equip-Gas	3,844.76	3,871.21	4,471.75	4,310.10	3,874.14	5,636.74	4,634.78

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Account Number	Description	April-05	May-05	June-05	July-05	August-05	September-05	October-05
892000	Maintenance of Services	54,137.04	33,707.46	45,207.27	29,558.08	48,136.58	34,215.46	28,293.14
893000	Maint - Meters And House Regul	33,940.86	28,609.03	21,484.33	26,377.48	21,112.10	16,579.03	15,125.81
894000	Maint-Other Distribution Equip	1,159.97	(1,087.85)	(442.40)	8,987.59	1,708.58	2,273.41	1,045.71
901000	Supv Cust Bill / Collect	5,121.01	5,108.42	8,221.29	5,072.27	5,263.06	7,462.81	5,812.44
902000	Meter Reading	137,389.50	122,963.97	127,925.19	119,433.21	133,555.23	123,741.12	115,699.21
903000	Cust Rec/Coll - Mrkt Ops	289,593.18	330,771.39	324,690.90	318,921.84	463,253.43	378,890.44	361,368.27
904000	Customer Acctng - Uncoll Accounts Exp	(101.65)	442.13	245.00	1,353.16	1,022.63	1,588.51	0.00
904002	Cust Acctg-Loss On Sale-A/R	245,399.86	205,507.18	234,030.51	294,290.77	289,561.21	255,448.12	271,150.86
905000	Cust Reltns Bill/Coll	2,231.67	3,344.53	3,944.72	11,382.96	994.97	5,134.32	963.17
908000	Corporate Planning Cust Asst	23,497.63	22,720.95	21,676.30	21,495.10	22,029.99	22,367.43	24,769.46
909000	Info/Instr Advs-Cmty Affair	183.71	2,275.17	700.16	20,190.10		60,570.59	2,861.14
910000	Misc Cust Serv And Info	52,593.00	52,077.85	46,883.03	47,802.09	50,514.78	56,568.05	53,428.16
911000	Supv-Marketing Operations	2,926.50	3,284.44	2,899.80	2,596.86	(71.85)	(540.94)	63.76
913000	Advs Exp-Mrktng/Cust Reltns	4,860.07	14,516.09	6,322.79	3,066.84	487.58	(63.20)	
916000	Miscellaneous Sales Exps	324,527.55	212,069.32	182,672.86	244,550.44	256,091.23	215,557.03	167,668.41
920000	A/G Labor	427,112.10	551,337.95	108,388.60	368,625.62	434,712.88	408,587.11	424,253.62
920450	A/G Labor - Elec -Billed DPL							
921000	A/G Office Supplies and Exp	114,689.20	259,922.78	173,220.28	108,469.37	189,700.15	151,725.22	150,993.54
921450	A/G Mat/Exp-Elec -Billed DPL							
922000	Duplicate Charges Credit	(100.10)	(897.20)	(961.41)	(600.14)	(1,683.86)	(4,514.64)	(2,208.22)
923000	Outside Services	133,500.95	221,679.64	1,085,683.87	64,143.88	165,565.76	443,612.20	78,640.16
924000	Property Insurance	91,862.00	49,000.00	49,000.00	49,000.00	49,000.00	49,000.00	49,000.00
925000	Injuries And Damages	26,659.89	107,601.37	88,483.05	86,714.57	51,894.57	50,379.19	413,387.79
925990	Genl Frng Benfts Frm PSI-Joint	136.96			1,000.00			
926000	Employee Pension / Benefits	(75,533.40)	(10,846.30)	(9,690.11)	45.66	(152,713.00)		763.50
926110	Employee Fringe Benefits Load	604,834.46	527,544.43	559,591.18	552,997.21	553,720.04	533,660.95	519,014.88
926590	Empl Benft Lbr Billed DPL CSP							
928000	State Reg Comm Proceeding	50,131.74	50,131.72	50,131.72	51,559.13	51,559.13	51,559.13	51,559.13
928020	Fed Energy Reg Com Proceed	13,879.67	13,879.67	13,879.67	13,879.67	23,147.75	23,225.75	23,147.75
929000	Service Used Own Dept Cr	(15,943.40)	(11,899.55)	(15,294.65)	(17,720.53)	(19,176.85)	(22,712.80)	(23,232.18)
929030	Jobbing Overheads	(64.20)	(107.00)	(150.86)	(180.10)	(144.08)	(347.90)	(252.14)
930100	General Advertising Expenses	3,591.95	4,809.61		740.12	2,593.63	2,102.96	770.59
930202	A/G Misc General Expense	55,175.84	16,970.93	181,186.64	10,937.19	8,715.43	21,246.61	13,402.80
931000	Rents	216,034.02	175,449.53	266,796.23	172,101.78	161,385.93	221,116.68	261,809.57
931200	Rents - Interco	15,646.00	15,646.00	15,646.00	15,646.00	15,646.00	15,646.00	15,646.00
931400	Rents - Electric - Billed DPL							
931500	Rents - Affiliated Companies							
935000	Maint of General Plant	29,008.89	38,487.71	28,357.01	28,248.71	5,698.76	36,430.88	15,305.74
	Net Income	(359,503.23)	(60,207.91)	907,004.29	(688,885.34)	(964,739.15)	(1,980,398.98)	(460,865.18)



DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
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Account Number	Description	November-05	December-05	January-06	February-06	March-06
401004	Non Utility Non Labor			(50.00)		50.00
403000	Depreciation Expense	1,501,840.22	1,075,582.94	2,796,352.49	2,796,245.54	2,777,862.71
403005	Depreciation Expense - ARO			0.00		
404201	Amort Exp - Limited Term	177,221.95	235,056.69	191,982.34	205,415.79	195,381.38
408020	Ohio Property Taxes - Prod			174,192.00	174,192.00	174,192.00
408050	Kentucky Property Tax - Gas	196,017.00	201,938.02	203,261.00	203,261.00	207,301.57
408055	Kentucky Property Tax - Elec	180,650.00	186,707.55	204,239.00	204,239.00	208,372.74
408065	Ky Property Taxes - East Bend			62,500.00	62,500.00	62,500.00
408090	West Virginia Property Tax-Gas	2,500.00	2,500.00	1,426.00	1,426.00	1,426.00
408220	Payroll Taxes - Non Utility	12,128.67	6,158.11	15,664.42	16,180.62	16,966.07
408240	Payroll Taxes-Joint Ownership			(18,343.72)	(17,447.24)	(19,719.07)
408390	Ohio Franchise Tax		3,500.00			
408410	Social Security Taxes	91,430.82	(55,266.22)	195,088.20	240,352.27	160,786.51
408420	West Virginia License Tax					
408490	Indiana Highway Use Tax			8.57		
408500	Federal Highway Use Tax - Gas					
408510	Federal Highway Use Tax - Elec					
408530	Ohio Highway Use			12.88		
408550	Kentucky Highway Use			1,722.60		12.88
408590	Highway Taxes - Misc States			132.79		
408740	Sales and Use Expense	6,539.41	9,336.87	11,892.32	13,178.72	(22,650.32)
409050	Federal Income Taxes Other Inc & Deduct	577,171.00	2,326,918.00	94,520.00	109,788.00	68,949.00
409060	Federal Income Taxes Utility Op Income	(1,070,249.87)	4,533,198.81	2,507,594.00	1,087,319.00	673,221.00
409150	State/Local Inc Taxes Other Inc & Deduct	(41,610.00)	498,283.00	19,580.00	22,857.00	14,322.00
409160	State/Local Inc Tax Exp Utility Op Inc	(43,169.00)	(418,662.85)	507,248.00	214,572.00	128,180.00
409980	Taxes Alloc From Serv Co - Gas Federal		(152,166.49)			(3,636.91)
409985	Taxes Alloc From Serv Co - Gas State					1,889.02
409990	Taxes Alloc From Serv Co-Elec Federal		(159,553.25)			(3,813.47)
409995	Taxes Alloc From Serv Co-Elec State					1,980.74
410050	Deferred FIT Other Inc & Deduct	(720.22)	497,945.00		(23,276.00)	(11,638.00)
410060	Deferred FIT Utility Operating Inc	3,421,780.92	(130,611.16)	545,527.92	441,242.45	796,466.59
410150	Deferred SIT Other Inc & Deduct		(49,422.00)		(4,856.00)	(2,428.00)
410160	Deferred SIT Utility Operating Inc	659,553.58	394,350.46	11,539,541.03	(11,333,058.89)	154,983.62
410980	Taxes Alloc From Svc Co - Gas		(77,295.96)			
410990	Taxes Alloc From Svc Co - Elec		(81,048.20)			
411050	Deferred FIT Credit Other Inc & Deduct				(461,868.05)	(231,049.00)
411055	Deferred FIT Credit Other Inc & Ded TI 0			(47,463.00)	(47,463.00)	(47,463.00)
411060	Deferred FIT Credit - Utility Op Inc	(1,419,337.27)	(6,854,064.35)	(4,673,599.25)	3,967,448.92	296,997.52
411065	Deferred FIT Credit - Util Op Inc TI 0	(21,086.00)	(21,082.00)	(20,185.00)	(20,185.00)	(20,185.00)

DUKE ENERGY KENTUCKY  
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Account Number	Description	November-05	December-05	January-06	February-06	March-06
411100	Accretion Expense ARO			0.00	2,703.00	(2,703.00)
411150	Deferred SIT Credit - Other Inc & Deduct				(81,909.76)	(40,977.00)
411160	Deferred SIT Credit - Utility Op Inc	(307,710.10)	(722,404.92)	(118,165.40)	(30,614.00)	43,601.28
411845	NOx Cmp Sale Prclds			(546,250.00)		(257,500.00)
411846	NOx Cmp Sale Cost			137,233.00		97,038.00
411847	SO2 Cmp Sale Prclds- Non-Native			(1,587,500.00)		
411848	SO2 Cmp Sale Cost- Non-Native			86,130.00		
411980	Taxes Alloc From Serv Co - Gas		253,593.11			
411990	Taxes Alloc From Serv Co-Elec		265,903.44			
415000	Rev - Jobbing & Contract Work	(11,023.00)	(20,890.50)	(18,450.00)	0.00	(3,581.00)
415100	Othr Inc-Misc Gas Jobbing Rev	(400.00)	(200.00)	(50.00)	(284.00)	(167.00)
415110	Othr Inc - Rev Cust Prop -Thir	(1,618.75)	(568.75)	(568.75)	(1,093.75)	(3,193.75)
415140	Othr Inc-Rev Track Assoc CATV				(11,793.30)	(8,346.70)
415520	Othr Inc Electric Jobbing	(81,500.26)	(86,006.14)	(20,638.75)	(46,037.63)	(93,130.81)
416000	Exp-Jobbing & Contract Work	7,224.81	3,667.72	3,685.60	32,363.61	35,612.90
416100	Gas-Job&Contracts-Misc Gen Exp	10,023.66	(4,585.02)	(2,227.37)	(1,804.31)	(3,777.68)
416140	GasJob-Cust Prop Third Pty Exp	644.77	36.00	972.82	537.83	2,087.09
416150	Gas Job-Lighting Pilot Cu Exp	24.32	185.79	94.21	52.29	37.54
416170	Gas Jobbing Renew Serv 2 Exp		633.08	59.29		
416180	Gas Job-Install Serv 2 Exp					1,480.03
416190	Gas Jobbing-Placement CATV Fa		28,746.85	19,254.22		26,897.32
416320	Elec Jobbing - Specific T&M	7,782.37	9,211.27	31,691.84	1,066.66	19,899.37
416330	Elec Job-Specific Flat Charge	406.77	(822.41)	2,248.16	389.46	13,452.98
416562	ED Nonutil Chge-Non Labor Tax					
417000	Non-Utility Revenue	0.00	0.00			
417001	Non-Utility Service Revenue	(911.96)	0.00		(1,000.00)	
417003	Non-Utility Misc Svc Rev-Other					
417501	Nonreg Misc Svc Rev -Other	0.00	0.00	0.00	0.00	0.00
418002	Nonop Rental Inc - Florence	(77,203.21)	(91,246.96)	(149,168.46)	(147,162.21)	(51,573.33)
418012	Non Oper Depr - Florence Fac	113,380.92	113,380.92	113,380.92	113,380.92	113,380.92
419000	Intercompany Interest Income	(15,674.67)	(3,745.79)	(3,440.34)		(48,694.62)
419040	Interest Income	(2.49)	(2.58)	(6.29)	(2.52)	(15,072.55)
419230	Interest Income - Earned Carry	(8.92)	(8.92)	(28.43)	(40.52)	(35.96)
419575	Int Inc-VEBA					
419890	Int Inc-Cin Rec Co LLC	(160,247.43)	(306,305.51)	(394,716.36)	(381,223.38)	(321,175.44)
419920	AFUDC Equity	(62,595.77)	(59,187.63)	(63,008.80)	(18,941.95)	2,192.25
421000	Misc Non Oper Inc-Other			(172.64)	(159.97)	
421200	Loss On Disposal of Property	59,478.72				
421530	Power Trading Reserve-MTM Gain					(39,371.00)

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426100	Donations	2,213.75	1,520.41	26,290.43	3,875.55	3,565.82
426300	Penalties					
426410	Misc Inc Deduct - Civic/Pol	11,879.05	8,229.41	4,833.31	4,983.77	5,615.65
426510	Income Deductions - Other	1,209.02	6,616.06	1,016.53	1,230.06	2,795.61
426520	Sale Of A/R Fees	558,904.13	(331,050.45)	160,217.19	159,896.58	171,622.58
426551	VEBA Trust - Expenses					(294.86)
427010	Interest Exp On Long Term Debt	501,875.00	501,875.00	456,134.24	501,875.00	927,222.22
428010	LT Debt Discount / Exp Amort	29,486.75	29,486.75	29,486.75	29,486.75	235,164.64
428011	LT Debt Discount / Exp Amort	(2,994.77)	(2,994.77)	(2,994.77)	(2,994.77)	(2,994.77)
430000	Intercompany Interest Expense	6,069.83	20,629.66	396,485.37	684,738.75	457,921.92
431000	Interest Expense		294.21		(1,984.58)	230.80
431020	Interest Exp-Cust Service Dep	19,378.45	20,293.39	20,683.44	19,116.07	21,609.37
431070	Interest Exp-Refunds-Adjust			0.34		
431130	Interest Exp - Capital Lease	37,712.59	82,104.35	45,434.40	45,001.95	88,977.67
431550	Interest Exp-Assign From Svc	(3,583.75)	(4,002.32)	5,238.68	(5,607.43)	(589.57)
432000	AFUDC Debt	(15,413.62)	(15,537.22)	(24,877.91)	(39,030.53)	(49,324.61)
432300	Capitalized Interest-Elec Prod			(15,356.15)	(23,673.13)	(27,691.52)
432500	Capitalized Interest	(8,063.82)	(10,188.32)	(8,619.39)	(9,642.92)	(10,442.81)
440500	Elec Rev Residential - General	(4,446,751.56)	(6,084,338.44)	(6,350,866.68)	(5,505,986.28)	(5,340,929.04)
440510	Elec Rev Residential-Unbilled	(500,000.00)	(830,000.00)	1,257,000.00	93,000.00	130,000.00
440601	Res Base Fuel	(1,730,986.93)	(2,610,535.78)	(2,752,055.41)	(2,293,812.63)	(2,215,149.33)
440602	Res Fuel Clause	229,062.46	345,081.25	363,935.76	303,129.29	292,880.33
440603	Res DSM	(155,862.31)	(235,236.51)	(248,149.36)	(206,672.36)	(199,672.39)
442500	Elec Rev Commercial - General	(4,463,381.39)	(4,850,675.83)	(4,793,212.66)	(4,533,363.47)	(4,525,141.75)
442510	Elec Rev Commercial - Unbilled	141,000.00	(4,000.00)	438,000.00	294,000.00	(364,000.00)
442550	Elec Rev Industrial - General	(2,183,757.61)	(2,257,377.54)	(2,167,629.66)	(2,107,165.71)	(2,032,989.79)
442560	Elec Rev Industrial - Unbilled	48,000.00	74,000.00	341,000.00	103,000.00	(217,000.00)
442601	Com Base Fuel	(1,961,530.48)	(2,236,859.89)	(2,210,385.36)	(2,000,479.20)	(1,988,182.33)
442602	Com Fuel Clause	256,038.54	294,225.45	292,223.64	264,547.78	262,836.03
442603	Com DSM	30,121.29	34,387.21	33,983.53	30,891.26	30,745.23
442651	Ind Base Fuel	(1,200,303.44)	(1,288,991.75)	(1,225,264.85)	(1,194,972.43)	(1,150,244.64)
442652	Ind Fuel Clause	154,295.94	166,400.66	158,314.94	154,536.93	149,274.71
442653	Ind DSM	17,186.60	18,383.16	17,337.33	16,981.37	16,452.94
444500	Public St And Highway Lighting	(74,030.67)	(117,517.45)	(41,488.69)	(158,737.26)	(68,343.84)
444601	SL Base Fuel	(25,993.62)	(31,241.94)	(18,273.23)	(41,247.05)	(19,956.53)
444602	SL Fuel Clause	3,451.07	4,144.77	2,429.37	5,467.78	2,651.21
444603	SL DSM	35.20	43.39	40.39	37.55	34.21
445500	Sales Pub Authority Muni Pump	(12,387.07)	(9,397.74)	(16,503.10)	(12,247.75)	(13,470.53)
445510	Sales Public Authority Other	(969,644.40)	(990,729.32)	(981,204.85)	(925,804.27)	(935,274.47)

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Account Number	Description	November-05	December-05	January-06	February-06	March-06
445520	Sales Public Authority-Unbill	90,000.00	(30,000.00)	181,000.00	38,000.00	(88,000.00)
445601	OPA Base Fuel	(465,157.45)	(485,817.25)	(487,007.04)	(449,106.12)	(449,977.13)
445602	OPA Fuel Clause	58,851.48	61,497.11	62,388.40	57,620.61	57,102.31
445603	OPA DSM	6,437.23	6,789.75	6,876.49	6,373.47	6,287.04
447010	Elec Rev - I/C sales			(1,071.25)	(3,368.80)	(2,934.43)
447810	Elec Rev - Non-native sales			(2,593,748.93)	(1,854,644.38)	(2,648,282.67)
447931	Sales For Resale-Futures					(316.50)
448500	Inter Dept Sales - Elec	(17,275.22)	(19,513.43)	(21,121.89)	(17,976.48)	(19,093.69)
450000	Late Payment Charge	0.00	0.00	0.00	0.00	0.00
451010	Misc Service Revenues	(1,300.16)	(2,607.25)	(2,421.92)	(2,870.02)	(4,826.61)
451020	Misc Rev Reconnection Charge	(5,997.00)	(2,299.50)	(5,385.00)	(3,930.00)	(4,748.00)
451040	Temporary Facilities		(96,052.73)			
451050	Misc Rev Cust Diversn Exp	(1,359.43)	(305.42)	(32.52)	(1,064.01)	(142.71)
451060	Misc Rev Bad Check Charge	(1,705.00)	(1,496.00)	(1,336.50)	(896.50)	(1,666.50)
454010	Rent Elec Land And Buildings					
454020	Rent Elec Other Equipment	(2,382.33)	(2,382.33)	(2,532.53)	(2,532.53)	(2,532.53)
454050	Rent From Elec Prop CATV	(24.00)	24.00			
454100	Pole Contact Rentals		(108.00)	441.45		(36.00)
454160	Rent Land Elec Prop Net CCD			(94,246.10)	(93,809.35)	(104,487.33)
454200	Other Rent-Electric Property	(6,500.00)	(6,500.00)	(7,525.00)	(7,525.00)	(7,525.00)
454710	Rent Common Facilities Units 7			(55,616.38)	(55,616.38)	(55,616.38)
454850	Cost of Capital Overhead - ED	(29.42)	(9.54)	(27.85)	(6.18)	(38.34)
456025	RSG Revenue - MISO Make Whole			(333,065.91)	(968,387.71)	(245,004.18)
456040	Sales Use Tax Coll Fee	(899.40)	(899.40)	(899.41)	(1,500.05)	(899.40)
456075	Data Processing Service	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)
456350	Fuel Management Revenues			(113,318.79)	(22,162.95)	(24,686.10)
456855	I/C Transmission Revenue	(21,969.86)	(17,094.23)	(20,436.10)	(21,469.98)	(14,721.49)
480400	Residential Sales Gas	(2,451,387.21)	(4,553,153.08)	(4,095,002.26)	(2,528,272.20)	(3,431,126.39)
480410	Residential Unbilled Gas	(2,010,000.00)	(4,064,000.00)	4,436,000.00	362,000.00	1,001,000.00
480603	Res DSM	(130,216.89)	(359,956.73)	(374,609.30)	(317,019.72)	(295,576.20)
480620	Res Gas Cost Recovery	(5,166,899.04)	(13,366,350.19)	(13,812,879.54)	(9,900,040.84)	(8,493,794.17)
480623	Res Accelerated Main Replacement Program	(1,353.68)	(612.00)	(93.83)	(143.21)	2.98
481400	Commercial Sales Gas	(653,363.88)	(1,315,016.49)	(1,306,897.21)	(1,040,384.24)	(1,081,081.65)
481410	Commercial Unbilled Gas	(762,000.00)	(2,011,000.00)	1,677,000.00	268,000.00	460,000.00
481450	Industrial Sales Gas	(84,631.83)	(162,377.06)	(181,349.20)	(156,332.95)	(151,421.84)
481460	Industrial Unbilled Gas	(43,000.00)	(195,000.00)	146,000.00	52,000.00	16,000.00
481603	Com DSM	(5,723.28)	(13,243.72)	(12,311.20)	(11,496.18)	(10,240.38)
481620	Com Gas Cost Recovery	(2,453,860.98)	(6,089,849.82)	(6,271,634.05)	(4,640,093.63)	(3,907,601.28)
481623	Com Accelerated Main Replacement Program	12.12	(372.58)	120.57	(71.65)	28.66

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Account Number	Description	November-05	December-05	January-06	February-06	March-06
481660	Ind Gas Cost Recovery	(464,445.78)	(893,664.58)	(992,948.07)	(736,149.57)	(644,132.57)
481663	Ind Accelerated Main Replacement Program			(75.64)		
482400	Public Str/Hgwy Lighting Gas	(24.82)	(50.42)	(40.50)	(40.06)	(40.90)
482450	Other Sales To Pub Authority Gas	(89,012.53)	(186,211.89)	(205,778.89)	(174,625.53)	(155,476.53)
482460	Other Sales To Pub Auth Unbill	(142,000.00)	(220,000.00)	187,000.00	0.00	121,000.00
482620	SL Gas Cost Recovery	(62.48)	(71.04)	(60.82)	(49.62)	(49.34)
482653	OPA DSM	(2.21)	(10.03)	(23.49)	(11.84)	(12.60)
482660	OPA Gas Cost Recovery	(414,454.84)	(985,680.18)	(1,121,086.31)	(819,940.00)	(646,926.54)
482663	OPA Accelerated Main Replacement Program					
484400	Inter Departmental Sales Gas	(6,779.25)	(16,997.94)	(17,059.74)	(12,611.12)	(12,132.64)
487000	Late Payment Charge Gas	0.00	0.00	0.00	0.00	0.00
488010	Misc Service Revenue - Gas	686.50	(15.00)	(15.00)	(90.00)	(15.00)
488020	Misc Rev Reconn Charges Gas	(2,127.00)	(649.50)	(865.00)	(1,435.00)	(1,798.00)
488030	Misc Gas Rev Erlanger Gas Plt	(36,595.00)	(36,083.00)	(36,083.00)	(36,083.00)	(36,083.00)
488040	Misc Rev Cust Diversn Exp Gas		(26.50)	(26.50)		
488060	Misc Rev Bad Check Charge Gas	(1,001.00)	(847.00)	(764.50)	(478.50)	(1,226.50)
489000	Rev Transp Gas of Others	(119,940.44)	(118,043.92)	(102,221.16)	(87,901.11)	(111,445.07)
489010	Rev Transp of Gas - I/C	(54,828.00)	(49,590.00)	(49,590.00)	(49,590.00)	(49,590.00)
489023	Transp Accelerated Main Replacement					
489110	Rev Firm Transp Agm-Commer Bld	(42,178.59)	(63,864.73)	(51,849.60)	(50,499.45)	(46,279.53)
489115	Comm Rev Transp-Unbilled	(5,000.00)	(2,000.00)	(3,000.00)	8,000.00	(1,000.00)
489120	Rev Firm Transp Agreements - I	(189,124.82)	(224,477.29)	(208,041.73)	(190,482.88)	(204,564.56)
489125	Indust Rev Transp-Unbilled	(5,000.00)	(1,000.00)	10,000.00	16,000.00	(10,000.00)
489130	Rev Firm Transp Agree - Other	(31,232.64)	(51,115.87)	(41,770.23)	(40,138.93)	(35,373.26)
489135	Other Rev Transp-Unbilled	(9,000.00)	2,000.00	(8,000.00)	5,000.00	(4,000.00)
489160	Com Transp Gas Cost Recovery	(7.84)	(6.39)	(45.98)		
489163	Com Transp Accelerated Main Replacement					
489170	Ind Transp Gas Cost Recovery					
489173	Ind Transp Accelerated Main Replacement					
489183	Oth Transp Accelerated Main Replacement					
493040	Rent Land And Buildings-Affil	(2,848.00)	(2,848.00)	(2,848.00)	(2,848.00)	(2,848.00)
495020	Sales Use Tax Collect Fee	(600.61)	(600.59)	(600.59)		(600.60)
495030	Gas Losses Damaged Lines	(7,779.57)				
496100	Provision for rate refunds		1,245,000.00		(1,245,000.00)	
500000	Supervision And Engineering	149.60		155,028.31	161,085.66	164,258.61
501008	Fuel Handling Expense			41,886.35	58,476.35	63,694.21
501020	Fuel Procurement And Handling			19,352.13	20,398.74	22,809.14
501109	Coal-Miami Fort Units 5-7			1,785,893.27	1,887,315.49	2,112,354.50
501116	Coal-East Bend Station			4,445,309.49	4,220,097.68	4,632,880.01

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
TOTAL COMPANY INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

Account Number	Description	November-05	December-05	January-06	February-06	March-06
501202	Fuel Oil-Miami Fort Units 5-7			23,596.72	6,342.80	25,960.18
501215	Fuel Oil - East Bend Station			131,004.60	68,660.23	23,384.70
501300	Residual Disposal Costs		35.92	42,505.34	34,381.91	60,800.40
501302	Residual Disposal Expense - NE			0.40	0.33	0.35
501304	Reimb Assoc With Residual Disp			(5,142.60)		
501996	Non Native Load Fuel Expense			1,668,699.75	1,077,764.31	1,592,595.38
501997	Contra Non Native Load Fuel Exp			(1,668,699.75)	(1,077,764.31)	(1,592,595.38)
502000	Steam Expenses		132.60	196,404.76	298,785.91	227,322.59
502040	Cost of Lime			613,690.11	480,878.52	520,375.01
505000	Electric Expenses			67,528.00	52,752.55	59,370.20
506000	Miscellaneous Steam Power Exp	193.77	378.40	121,314.30	216,173.81	202,513.60
507000	Rent Expense - Steam Power			38,730.00	38,730.00	38,730.00
509010	SO2 Emission Expense - Native			51,901.72	359,399.04	335,844.00
509030	SO2 Emission Expense-NonNative			73,556.08	336,936.60	385,926.00
510000	Maint - Supervision/Engineer			57,343.25	66,040.99	93,023.66
511000	Maintenance of Structures			103,377.31	71,088.56	124,281.87
512000	Maintenance of Boiler Plant		45.07	525,928.36	410,903.05	485,921.52
512030	Maint of Boiler Plant - FGD			492.88		1,493.52
512100	Removal - Boiler Plant			311.35	3,458.59	6,151.79
512251	Maint of Boiler Plant-TM Over			2,038.71	3,016.88	1,026.22
513000	Maintenance of Electric Plant	123.40	(158.32)	36,343.21	103,975.18	54,396.77
514000	Maint Misc Steam Plant			64,294.81	73,084.80	56,505.57
546000	Other Power - Supv/Engr Labor			30,326.84	29,144.76	31,638.54
547303	Gas Purchases From CMT			1,199.97	(69.00)	
547501	Woodsdale Gas			328,413.79	517,688.11	318,574.20
547701	Woodsdale Propane Gas			391.12	55.75	101.60
548000	Other Power-Ops Generation Exp			32,628.64	33,091.72	33,197.29
549000	Misc Other Power Gen Exp			33,103.61	34,202.70	34,679.83
549115	Misc Other Power Gen Exp I/C			30,000.00	15,000.00	15,000.00
551000	Other Pwr - Maint Supv/Engr			532.70	2,290.64	3,755.63
552000	Other Pwr - Maint of Structure			5,149.13	2,403.80	2,199.04
553000	Other Pwr-Maint Genrating/Elec			22,142.63	24,191.01	33,286.18
554000	Other Pwr - Maint Misc Equip			206.66	5,412.20	330.58
554100	Removal - Oth Pwr Misc Equip			746.05		
555000	Purchased Power	1,212.69	3,587.69	4,452.13	3,914.71	5,401.31
555010	Purch Pwr - I/C - gross	10,604,639.64	16,478,077.20	(14,433,830.08)	15,247,116.88	
555019	Purch Pwr - I/C - net			15,247,164.42	(15,247,116.88)	
555020	Other Pwr Supply - Purch Power					
555200	Purch Pwr - Native Load - gross			324,076.63	327,515.79	203,790.23

DUKE ENERGY KENTUCKY  
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APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>November-05</u>	<u>December-05</u>	<u>January-06</u>	<u>February-06</u>	<u>March-06</u>
556000	System Control / Load Dispatch		2,084.37	1,543.21	2,095.56	1,781.95
557000	Other Power Supply Expenses			129.39	29.44	60.74
560000	Operation Supervision/Engineer	3,754.05	86,850.94	3,498.18	3,719.69	4,478.90
561000	Load Dispatching	68,996.39	78,449.87	32,101.83	51,365.38	137,966.42
562000	Station Expenses	1,025.43	540.89	66.15	42.65	51.84
563000	Overhead Line Expenses	3,662.83	4,182.42	1,049.88	747.32	885.19
565855	Tran Elec By Oth - ED- Interco	1,085,866.60	1,244,694.03	951,277.25	1,021,278.12	875,768.51
565860	Tran Elec By Oth - EC				5,453.26	5,136.55
566000	Miscellaneous Transmission Exp	488,601.02	183,605.16	51,317.25	52,952.99	56,976.01
567010	Rents - Interco - CGE	77.00	77.00	161,225.00	161,225.00	161,225.00
568000	Maintenance Superv/Engineeri	1,778.25	1,829.05	1,793.63	1,974.24	2,467.26
569000	Maintenance of Structures	129.27	(327.12)	205.28	72.75	411.26
570000	Maint Of Station Equipment	11,464.01	(5,507.41)	14,538.02	11,667.79	2,583.10
570860	Maint Of Substation Equipment			15.29		0.78
571000	Maintenance Of Overhead Lines	6,227.63	4,403.97	4,956.97	4,757.87	6,053.85
573000	Maint Of Misc Trans Plant		183.15			
580000	Ops Supv/Engr - Distr Sys	27,396.09	19,237.66	23,628.31	17,401.19	28,055.96
581000	Load Dispatch-Dist of Elec	14,829.20	10,887.51	16,550.45	12,908.09	16,844.43
582000	Station Exp-Distribution Sys	3,218.51	1,578.84	727.36	3,594.96	3,583.60
583000	Ovhd Line Exp-Distribution Sys	24,129.59	7,488.81	18,334.07	22,990.00	22,202.20
584000	UG Line Exp - Distribution Sys	(107.60)	17,961.31	7,717.76	9,425.53	23,778.37
585000	Street Lighting/Signal System		132.24		281.79	370.17
586000	Meter Expenses	(41.91)	9,574.67	9,978.93	(21,801.23)	(60,387.63)
587000	Customer Installations Expense	34,812.47	36,391.90	34,276.61	31,447.22	35,212.60
588000	Miscellaneous Distribution Exp	12,992.36	55,467.22	15,599.48	14,122.90	14,232.65
589010	Rents - Interco - CGE	41,244.00	41,244.00	41,244.00	41,244.00	41,244.00
590000	Maint Supv/Engr-Dist Sys	14,532.83	12,965.90	17,790.73	18,932.13	21,928.48
591000	Maintenance of Structures	1,491.12	2,821.21	6,631.18	3,792.62	1,060.49
592000	Maint Of Station Equipment	8,332.15	55,707.90	10,594.65	12,374.60	16,269.40
593000	Maintenance Of Overhead Lines	245,235.96	212,781.63	149,341.45	194,271.93	307,211.80
594000	Maint Of Underground Line	13,934.00	15,956.88	3,865.03	2,490.04	10,139.77
595000	Maint Of Line Transformers	7,618.02	6,955.28	6,268.16	11,749.89	11,380.50
596000	Maint Of Street Lights/Signals	14,630.90	12,407.48	14,173.72	112,339.05	13,441.67
597000	Maintenance of Meters	15,253.35	12,727.86	13,701.61	13,750.50	17,214.97
598000	Maint Misc Distribution Plant	1,689.50	67,439.61	1,465.00	2,830.05	2,712.36
711000	Gas Boiler Labor	780.37	1,876.35	1,163.23	1,271.06	746.27
712000	Gas Production-Other Power Exp	644.53	613.51	435.64	687.73	239.91
717000	Liq Petro Gas Exp-Vapor Proc	3,331.26	7,924.12	9,476.17	6,913.57	7,287.94
728003	Liq Prop Gas Exp Erlang/Consta	6,884.44	3,208.86	199.44	6,401.95	

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
TOTAL COMPANY INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>November-05</u>	<u>December-05</u>	<u>January-06</u>	<u>February-06</u>	<u>March-06</u>
735000	Gas Misc Production Exp	1,301.06	1,404.96	1,033.78	992.16	730.74
742000	Maint Gas Production Equipment	46,378.45	(38,729.20)	2,643.93	2,322.26	2,591.88
801000	Natural Gas Field Line Purch	13,544,593.35	26,602,765.54	16,848,747.69	15,391,439.95	11,631,403.66
801010	Natural Gas Field Ln Purch-I/C		24,461.54	20,963.01	18,836.84	8,681.21
805000	Unrecovered Purchase Gas Adj	(5,151,151.44)	(5,419,591.58)	5,446,059.96	747,122.30	2,191,520.14
805200	Purchase Gas Cost Unbilled Rev	2,391,582.00	5,585,605.00	(4,995,923.00)	(303,599.00)	(1,704,245.00)
807000	Gas Purchased Expenses	17,288.86	23,684.39	19,972.95	21,054.56	19,757.85
807010	Gas Purchased Expenses - I/C	12,298.20	7,535.82	13,917.30	14,071.74	13,836.71
859000	Other Exp-Trans Sys Equip/Exp	79.17	242.87	133.34		
870000	Distribution Sys Ops-Supv/Engr	14,280.22	6,610.02	12,801.75	8,241.50	8,867.04
871000	Distribution Load Dispatching	5,650.06	7,665.59	8,574.68	8,889.82	8,389.88
874000	Mains And Services	84,591.74	135,071.93	85,792.52	86,136.25	156,850.15
875000	Measuring And Reg Stations-Gen	3,527.72	4,015.50	529.22	588.42	3,218.46
876000	Measuring & Reg Station-Indust	610.12	3,099.07	4,139.99	1,206.76	1,761.89
878000	Meter And House Regulator Exp	(28,431.27)	16,135.72	21,765.82	(3,545.26)	(9,017.81)
879000	Customer Installation Expenses	45,849.09	55,582.49	43,132.03	44,566.89	71,150.20
880000	Gas Distribution-Other Expense	73,815.09	166,700.37	72,389.64	82,749.72	91,755.37
881020	Rents Interco - Buildings	13,599.00	13,599.00	13,599.00	13,599.00	13,599.00
881040	Gas Dist -Rents Interco-Microw	10,425.00	10,425.00	10,425.00	10,425.00	10,425.00
881050	Gas Dist Rents I/C - Stores	8,278.00	8,278.00	8,278.00	8,278.00	8,278.00
885000	Maint Dist Sys Fac- Supv/Engr	3,603.05	3,442.83	3,735.49	4,101.96	4,031.98
887000	Maintenance of Mains	61,614.86	94,358.70	70,210.10	72,607.49	104,251.68
889000	Maint-Meas/Reg Stn Equip-Gas	6,534.64	13,061.34	6,038.47	2,115.19	6,817.17



DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
TOTAL COMPANY INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

Account Number	Description	November-05	December-05	January-06	February-06	March-06
892000	Maintenance of Services	16,563.18	14,991.76	8,114.50	12,054.21	23,483.88
893000	Maint - Meters And House Regul	9,380.20	5,909.10	20,326.29	10,965.45	27,164.57
894000	Maint-Other Distribution Equip	5,254.33	31,125.96	3,850.63	(940.21)	762.86
901000	Supv Cust Bill / Collect	8,194.84	4,509.41	4,488.99	4,783.77	5,284.04
902000	Meter Reading	126,528.03	127,202.21	126,523.58	111,159.79	146,055.74
903000	Cust Rec/Coll - Mrkt Ops	356,186.03	581,113.84	228,167.48	445,140.94	516,039.22
904000	Customer Acctng - Uncoll Accounts Exp	(180.75)	36,688.66	19,861.03	45,007.68	(20,932.95)
904002	Cust Acctg-Loss On Sale-A/R	(77,200.19)	1,154,967.17	447,663.39	400,167.41	373,423.55
905000	Cust Reltns Bill/Coll	621.75	99,243.82	988.59	1,027.31	1,252.77
908000	Corporate Planning Cust Asst	21,877.06	15,819.12	23,001.37	23,510.56	25,513.10
909000	Info/Instr Advn-Cmty Affair	37,656.93	83,213.65	1,074.05	8,666.95	43,872.22
910000	Misc Cust Serv And Info	101,452.83	108,170.16	61,908.63	53,540.10	62,796.89
911000	Supv-Marketing Operations	9,424.43	69.94	17.24	650.32	1,828.20
913000	Advn Exp-Mrktng/Cust Reltns	54.82	2,144.00	79.72	393.43	39.86
916000	Miscellaneous Sales Exps	238,024.37	548,843.48	576,855.61	480,916.45	451,982.15
920000	A/G Labor	767,634.62	381,366.45	809,037.78	2,026,948.82	343,158.26
920450	A/G Labor - Elec -Billed DPL			(19,743.90)	(19,743.90)	(19,743.90)
921000	A/G Office Supplies and Exp	254,487.61	152,200.99	384,322.17	231,302.61	305,155.10
921450	A/G Mat/Exp-Elec -Billed DPL			(9,476.70)	(9,476.70)	(9,476.70)
922000	Duplicate Charges Credit	(668.34)	(308.46)	(652.88)	(200.02)	970.54
923000	Outside Services	(299,975.87)	(215,936.64)	75,408.48	249,199.63	673,204.56
924000	Property Insurance	49,000.00	49,000.00	49,000.00	49,000.00	49,000.00
925000	Injuries And Damages	32,566.11	(7,000.50)	40,210.48	42,821.42	57,928.61
925990	Genl Frmg Benfts Frm PSI-Joint					
926000	Employee Pension / Benefits	125.31	(191,571.88)	(42.17)		131,296.68
926110	Employee Fringe Benefits Load	488,174.50	449,210.92	1,025,328.35	974,981.99	1,174,729.27
926590	Empl Benft Lbr Billed DPL CSP			(88,867.09)	(84,522.76)	(95,529.32)
928000	State Reg Comm Proceeding	86,703.26	16,415.00	56,976.72	56,976.13	56,976.13
928020	Fed Energy Reg Com Proceed	170,899.44	(124,603.96)	17,741.00	17,741.00	17,741.00
929000	Service Used Own Dept Cr	(32,106.86)	(52,243.95)	(49,034.63)	(38,698.24)	(42,512.26)
929030	Jobbing Overheads	(372.13)	(93.24)	(41.73)	(308.00)	(36.02)
930100	General Advertising Expenses	4,236.70	2,853.69	268.50	297.31	1,327.07
930202	A/G Misc General Expense	214,023.31	(89,561.15)	96,864.07	23,708.02	93,458.44
931000	Rents	207,199.75	56,580.10	277,333.54	263,813.02	435,346.96
931200	Rents - Interco	15,646.00	15,646.00	15,646.00	15,646.00	15,646.00
931400	Rents - Electric - Billed DPL			(1,779.40)	(1,779.40)	(1,779.40)
931500	Rents - Affiliated Companies		80,999.07	21,454.08	20,452.32	
935000	Maint of General Plant	36,063.81	50,743.03	40,787.98	54,555.79	47,582.71
	Net Income	(966,617.16)	(3,876,198.60)	2,894,751.91	(10,297,261.08)	(2,955,755.82)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>April-05</u>	<u>May-05</u>	<u>June-05</u>	<u>July-05</u>	<u>August-05</u>	<u>September-05</u>
403000	Depreciation Expense	777,554.70	763,956.89	770,533.68	782,478.13	786,828.66	794,413.14
403005	Depreciation Expense - ARO						
404201	Amort Exp - Limited Term	93,011.19	87,610.20	86,754.35	86,327.61	86,327.64	86,312.59
408020	Ohio Property Taxes - Prod						
408055	Kentucky Property Tax - Elec		361,300.00	180,650.00	180,650.00	101,247.00	(69,815.81)
408065	Ky Property Taxes - East Bend						
408220	Payroll Taxes - Non Utility	(2,509.56)	6,674.00	(4,630.05)	2,989.34	4,091.13	2,418.48
408240	Payroll Taxes-Joint Ownership						
408390	Ohio Franchise Tax		979.68				
408410	Social Security Taxes	61,142.13	53,077.16	63,870.37	57,626.48	59,660.60	56,081.11
408420	West Virginia License Tax			249.00			
408490	Indiana Highway Use Tax	117.75					
408510	Federal Highway Use Tax - Elec					2,992.80	
408530	Ohio Highway Use	41.63			91.54		
408550	Kentucky Highway Use	902.98			1,123.14		
408590	Highway Taxes - Misc States						
408740	Sales and Use Expense	34,574.23	75,757.82	37,724.26	(16,670.11)	8,014.12	5,981.17
409050	Federal Income Taxes Other Inc & Deduct	(2,333,480.00)	6,296,095.13	(3,897,845.00)	(904,108.13)	(317,402.82)	106,182.29
409060	Federal Income Taxes Utility Op Income	(1,789,795.00)	(1,052,377.13)	1,223,368.00	1,133,892.13	2,152,638.40	1,468,727.21
409150	State/Local Inc Taxes Other Inc & Deduct	(828,596.00)	(998,347.00)	1,759,682.00	(108,444.00)	(69,306.93)	(52,770.56)
409160	State/Local Inc Tax Exp Utility Op Inc	(183,961.00)	68,935.00	30,704.00	197,641.00	(63,409.20)	232,866.17
409990	Taxes Alloc From Serv Co-Elec Federal			53,830.90			(71,373.82)
409995	Taxes Alloc From Serv Co-Elec State						
410050	Deferred FIT Other Inc & Deduct	4,981,364.09	(4,983,251.33)			(72.09)	.
410060	Deferred FIT Utility Operating Inc	422,279.36	406,666.93	418,124.79	396,303.39	(3,579,785.55)	542,077.90
410150	Deferred SIT Other Inc & Deduct	15.48	(420.72)			(15.48)	
410160	Deferred SIT Utility Operating Inc	56,445.73	53,094.20	60,958.30	50,868.21	(637,724.94)	389,150.35
410990	Taxes Alloc From Svc Co - Elec			62,853.48			53,593.42
411050	Deferred FIT Credit Other Inc & Deduct			29,199.44		558,898.09	
411055	Deferred FIT Credit Other Inc & Ded TI 0	(29,408.00)		29,408.00			
411060	Deferred FIT Credit - Utility Op Inc	(390,848.88)	130,604.89	114,168.17	(270,942.79)	(777,700.41)	32,578.81
411065	Deferred FIT Credit - Util Op Inc TI 0			(58,816.00)	(14,704.00)	(14,704.00)	(14,704.00)
411100	Accretion Expense ARO						
411150	Deferred SIT Credit - Other Inc & Deduct			6,270.78		123,115.75	

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 TRIAL BALANCE  
 ELECTRIC OPERATIONS INCOME STATEMENT  
 APRIL 30, 2005 THROUGH MARCH 31, 2006

Account Number	Description	April-05	May-05	June-05	July-05	August-05	September-05
411160	Deferred SIT Credit - Utility Op Inc	(84,930.30)	30,195.60	20,200.44	(59,183.60)	(192,367.88)	132,190.40
411845	NOx Cmp Sale Prclds						
411846	NOx Cmp Sale Cost						
411847	SO2 Cmp Sale Prclds- Non-Native						
411848	SO2 Cmp Sale Cost- Non-Native						
411990	Taxes Alloc From Serv Co-Elec			(49,092.40)			95,464.89
415000	Rev - Jobbing & Contract Work	(70.00)			(30,181.00)		(3,547.29)
415100	Othr Inc-Misc Gas Jobbing Rev	(100.00)	(150.00)	(200.00)	50.00	(50.00)	
415520	Othr Inc Electric Jobbing	500.00	(2,101.67)	(266.67)	(1,336.67)	(4,470.00)	(1,600.00)
416000	Exp-Jobbing & Contract Work	4,065.76	2,965.78	5,185.05	7,174.78	1,568.05	4,623.13
416320	Elec Jobbing - Specific T&M	1,017.21	2,666.30	1,047.41	4,093.07	5,813.73	1,070.21
416330	Elec Job-Specific Flat Charge	2,002.55	1,464.20	(30.11)	(4,876.91)	5,478.72	2,822.56
416562	ED Nonutil Chge-Non Labor Tax	24.83					
417000	Non-Utility Revenue	0.00	0.00	0.00	(7,746.90)	12,618.08	0.00
417001	Non-Utility Service Revenue	0.00	0.00	(500.00)	(769.23)	531.23	(2,434.00)
417003	Non-Utility Misc Svc Rev-Other	0.00	0.00	0.00			
417501	Nonreg Misc Svc Rev -Other				(24,931.59)	20,060.41	0.00
418002	Nonop Rental Inc - Florence				(69,959.00)	(69,959.00)	(400,504.47)
418012	Non Oper Depr - Florence Fac	57,266.18	57,266.18	57,336.74	57,336.74	57,336.74	57,336.74
419000	Intercompany Interest Income	(52,267.16)	(59,264.28)	(63,669.15)	(224.34)	(30,697.23)	(29,068.01)
419040	Interest Income	(20.12)	(1.71)	(1.52)	(151.55)	(1.56)	(1.42)
419230	Interest Income - Earned Carry	756.53	(11.67)	(207.55)	(11.66)	(4.54)	3.87
419575	Int Inc-VEBA		(1.83)				
419890	Int Inc-Cin Rec Co LLC	(159,421.62)	(116,653.11)	(111,098.21)	(160,232.96)	(186,248.77)	(150,825.53)
419920	AFUDC Equity	(41,520.78)	(43,993.95)	(39,051.60)	(31,522.77)	(19,017.79)	(31,937.03)
421000	Misc Non Oper Inc-Other	(65.28)	(5,575.23)			(445.07)	
421200	Loss On Disposal of Property						
421530	Power Trading Reserve-MTM Gain						
426100	Donations	1,301.97	1,115.09	2,084.02	491.62	403.89	369.90
426300	Penalties	336.77			133.55		
426410	Misc Inc Deduct - Civic/Poli	11,290.84	6,374.81	8,293.77	7,414.43	7,396.41	5,923.14
426510	Income Deductions - Other	1,492.22	475.87	448.55	677.23	710.19	508.22
426520	Sale Of A/R Fees	106,734.83	111,978.12	97,336.36	82,820.89	(75,568.19)	101,460.13
426551	VEBA Trust - Expenses		131.75	37.50			

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
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APRIL 30, 2005 THROUGH MARCH 31, 2006

Account Number	Description	April-05	May-05	June-05	July-05	August-05	September-05
427010	Interest Exp On Long Term Debt	256,607.63	256,607.63	255,109.26	253,798.19	253,798.19	253,798.19
428010	LT Debt Discount / Exp Amort	14,911.45	14,911.45	14,911.45	14,911.45	14,911.45	14,911.45
428011	LT Debt Discount / Exp Amort	(1,514.46)	(1,514.46)	(1,514.46)	(1,514.46)	(1,514.46)	(1,514.46)
430000	Intercompany Interest Expense			1,382.05	9,264.69	715.66	2,082.46
431000	Interest Expense			110.63			121.62
431020	Interest Exp-Cust Service Dep	18,307.95	19,103.33	18,369.75	19,502.60	19,584.91	19,009.73
431130	Interest Exp - Capital Lease	20,380.28	20,195.90	20,010.67	19,824.56	19,637.55	19,449.68
431550	Interest Exp-Assign From Svc	(1,493.46)	(3,355.37)	(2,955.94)	(7,185.47)	(4,957.60)	(928.19)
432000	AFUDC Debt	(10,732.01)	(11,340.66)	(10,013.10)	(8,172.70)	(12,455.48)	(7,573.52)
432300	Capitalized Interest-Elec Prod			(1,815.00)	(2,331.10)	(2,883.76)	(3,631.58)
432500	Capitalized Interest	(4,214.87)	(3,040.91)	(5,599,227.39)	(7,823,881.72)	(8,294,756.88)	(7,218,140.64)
440500	Elec Rev Residential - General	(4,686,091.00)	(4,225,491.18)	(5,599,227.39)	(7,823,881.72)	(8,294,756.88)	(7,218,140.64)
440510	Elec Rev Residential-Unbilled	486,000.00	(245,000.00)	(1,943,000.00)	(607,000.00)	(104,000.00)	1,542,000.00
440601	Res Base Fuel	(1,861,858.44)	(1,623,528.11)	(2,080,555.83)	(2,952,667.41)	(3,137,973.32)	(2,717,604.41)
440602	Res Fuel Clause	248,370.74	216,178.86	275,895.01	391,197.71	415,370.05	359,678.66
440603	Res DSM	(167,723.53)	(146,368.80)	(187,433.78)	(266,352.34)	(282,972.95)	(245,080.22)
442500	Elec Rev Commercial - General	(4,398,769.18)	(4,375,562.16)	(5,020,802.03)	(5,423,203.93)	(5,309,414.36)	(5,861,959.16)
442510	Elec Rev Commercial - Unbilled	136,000.00	(495,000.00)	(349,000.00)	(146,000.00)	(335,000.00)	419,000.00
442550	Elec Rev Industrial - General	(2,106,956.67)	(2,124,261.21)	(2,463,990.08)	(2,587,611.31)	(2,718,708.83)	(2,717,537.36)
442560	Elec Rev Industrial - Unbilled	14,000.00	(282,000.00)	(81,000.00)	(132,000.00)	(229,000.00)	311,000.00
442601	Com Base Fuel	(1,957,239.07)	(1,932,233.14)	(2,246,623.80)	(2,481,467.40)	(2,349,464.77)	(2,609,925.54)
442602	Com Fuel Clause	254,839.16	251,832.53	292,625.68	323,134.40	301,017.78	348,042.69
442603	Com DSM	29,787.94	29,628.34	34,849.13	38,873.86	36,395.48	41,893.42
442651	Ind Base Fuel	(1,173,006.46)	(1,161,392.43)	(1,292,716.16)	(1,300,573.44)	(1,371,913.80)	(1,389,045.82)
442652	Ind Fuel Clause	146,107.89	144,953.83	158,563.58	161,911.14	171,545.96	171,970.91
442653	Ind DSM	16,697.01	16,457.48	18,329.85	18,651.74	19,563.73	19,742.98
444500	Public St And Highway Lighting	(99,353.43)	(98,727.39)	(98,255.71)	(98,110.19)	(98,292.69)	(98,748.94)
444601	SL Base Fuel	(30,004.36)	(29,739.52)	(29,595.23)	(29,545.60)	(29,611.65)	(29,871.79)
444602	SL Fuel Clause	3,983.15	3,947.99	3,928.91	3,922.31	3,931.03	3,965.41
444603	SL DSM	33.42	28.70	26.19	25.29	26.36	31.00
445500	Sales Pub Authority Muni Pump	(14,777.81)	(12,380.69)	(11,944.12)	(13,458.00)	(13,122.46)	(12,699.04)
445510	Sales Public Authority Other	(912,733.89)	(939,620.66)	(1,011,162.61)	(1,027,904.11)	(1,249,578.14)	(1,189,741.87)
445520	Sales Public Authority-Unbill	48,000.00	(150,000.00)	(82,000.00)	(9,000.00)	(107,000.00)	55,000.00
445601	OPA Base Fuel	(442,500.65)	(454,540.00)	(481,425.84)	(516,467.69)	(593,404.55)	(568,628.17)

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<u>Account Number</u>	<u>Description</u>	<u>April-05</u>	<u>May-05</u>	<u>June-05</u>	<u>July-05</u>	<u>August-05</u>	<u>September-05</u>
445602	OPA Fuel Clause	55,625.23	56,589.96	60,092.74	66,053.77	75,229.65	71,625.11
445603	OPA DSM	6,107.16	6,124.30	6,628.08	7,308.41	8,258.18	8,080.40
447010	Elec Rev - I/C sales						
447810	Elec Rev - Non-native sales						
447931	Sales For Resale-Futures						
448500	Inter Dept Sales - Elec	(4,624.90)	(7,601.72)	(10,354.37)	(13,303.92)	(14,257.30)	(16,586.04)
450000	Late Payment Charge	0.00	0.00	0.00	0.00	0.00	0.00
451010	Misc Service Revenues	(2,134.43)	(2,407.09)	(2,408.41)	(2,385.70)	(2,333.99)	(3,200.62)
451020	Misc Rev Reconnection Charge	(5,806.50)	(5,079.00)	(7,675.50)	(4,590.00)	(5,004.00)	(6,631.50)
451040	Temporary Facilities	(325.00)		(640.00)			
451050	Misc Rev Cust Diversn Exp	(310.34)	(320.34)	(374.19)	(786.17)	(600.84)	(857.88)
451060	Misc Rev Bad Check Charge	(1,584.00)	(1,606.00)	(1,551.00)	(2,112.00)	(1,320.00)	(1,556.50)
454010	Rent Elec Land And Buildings			(69,959.00)	69,959.00		
454020	Rent Elec Other Equipment	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)	(2,382.33)
454050	Rent From Elec Prop CATV						
454100	Pole Contact Rentals		(60.20)	(112.00)	(57.50)	(135,232.20)	
454160	Rent Land Elec Prop Net CCD						
454200	Other Rent-Electric Property	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)	(6,500.00)
454710	Rent Common Facilities Units 7						
454850	Cost of Capital Overhead - ED	(0.77)	(39.23)	(30.74)	(19.14)	(30.88)	(211.46)
456025	RSG Revenue - MISO Make Whole						
456040	Sales Use Tax Coll Fee	(4,758.08)	(4,099.92)	(3,756.78)	(3,896.71)	(899.40)	(899.39)
456075	Data Processing Service	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)
456350	Fuel Management Revenues						
456855	I/C Transmission Revenue	(18,160.45)	(17,231.75)	(23,689.44)	(24,905.76)	(23,466.64)	(20,420.35)
500000	Supervision And Engineering						
501008	Fuel Handling Expense						
501020	Fuel Procurement And Handling						
501109	Coal-Miami Fort Units 5-7						
501116	Coal-East Bend Station						
501202	Fuel Oil-Miami Fort Units 5-7						
501215	Fuel Oil - East Bend Station						
501300	Residual Disposal Costs						
501302	Residual Disposal Expense - NE						

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APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>April-05</u>	<u>May-05</u>	<u>June-05</u>	<u>July-05</u>	<u>August-05</u>	<u>September-05</u>
501304	Reimb Assoc With Residual Disp						
501996	Non Native Load Fuel Expense						
501997	Contra Non Native Load Fuel Exp						
502000	Steam Expenses						
502040	Cost of Lime						
505000	Electric Expenses						
506000	Miscellaneous Steam Power Exp	196.24	178.61	441.87	161.77	170.35	138.92
507000	Rent Expense - Steam Power						
509010	SO2 Emission Expense - Native						
509030	SO2 Emission Expense-NonNative						
510000	Maint - Supervision/Engineer						
511000	Maintenance of Structures						
512000	Maintenance of Boiler Plant						
512030	Maint of Boiler Plant - FGD						
512100	Removal - Boiler Plant						
512251	Maint of Boiler Plant-TM Over						
513000	Maintenance of Electric Plant	1,697.89	26.61				
514000	Maint Misc Steam Plant						
546000	Other Power - Supv/Engr Labor						
547303	Gas Purchases From CMT						

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<u>Account Number</u>	<u>Description</u>	<u>October-05</u>	<u>November-05</u>	<u>December-05</u>	<u>January-06</u>	<u>February-06</u>
403000	Depreciation Expense	797,375.80	804,709.72	810,198.35	2,266,645.73	2,268,826.85
403005	Depreciation Expense - ARO				0.00	
404201	Amort Exp - Limited Term	131,282.97	92,031.05	129,574.60	100,946.59	103,733.51
408020	Ohio Property Taxes - Prod				174,192.00	174,192.00
408055	Kentucky Property Tax - Elec	180,650.00	180,650.00	186,707.55	204,239.00	204,239.00
408065	Ky Property Taxes - East Bend				62,500.00	62,500.00
408220	Payroll Taxes - Non Utility	2,570.32	6,305.27	3,181.30	13,874.02	14,090.07
408240	Payroll Taxes-Joint Ownership				(18,343.72)	(17,447.24)
408390	Ohio Franchise Tax			3,500.00		
408410	Social Security Taxes	53,167.30	51,949.44	(30,139.86)	150,935.56	181,590.13
408420	West Virginia License Tax					
408490	Indiana Highway Use Tax	9.94			5.17	
408510	Federal Highway Use Tax - Elec					
408530	Ohio Highway Use	(8.11)			7.77	
408550	Kentucky Highway Use	1,151.60			1,039.42	
408590	Highway Taxes - Misc States	56.82			132.79	
408740	Sales and Use Expense	7,705.17	6,539.41	9,336.87	11,892.32	13,178.72
409050	Federal Income Taxes Other Inc & Deduct	(44,674.00)	577,171.00	2,326,918.00	94,520.00	109,788.00
409060	Federal Income Taxes Utility Op Income	(337,000.90)	(2,078,793.87)	863,970.90	1,558,548.00	209,763.00
409150	State/Local Inc Taxes Other Inc & Deduct	(13,368.00)	(41,610.00)	498,283.00	19,580.00	22,857.00
409160	State/Local Inc Tax Exp Utility Op Inc	43,730.00	(75,867.00)	(460,095.94)	317,594.00	38,900.00
409990	Taxes Alloc From Serv Co-Elec Federal			(159,553.25)		
409995	Taxes Alloc From Serv Co-Elec State					
410050	Deferred FIT Other Inc & Deduct		(720.90)			(23,276.00)
410060	Deferred FIT Utility Operating Inc	385,802.15	1,224,355.70	406,388.26	708,785.93	541,397.35
410150	Deferred SIT Other Inc & Deduct					(4,856.00)
410160	Deferred SIT Utility Operating Inc	48,819.31	216,425.07	288,748.96	11,561,466.34	(11,325,271.28)
410990	Taxes Alloc From Svc Co - Elec			(81,048.20)		
411050	Deferred FIT Credit Other Inc & Deduct					(461,868.05)
411055	Deferred FIT Credit Other Inc & Ded TI 0				(47,463.00)	(47,463.00)
411060	Deferred FIT Credit - Utility Op Inc	(84,194.79)	(46,892.34)	(3,631,993.62)	(4,455,377.10)	4,144,632.20
411065	Deferred FIT Credit - Util Op Inc TI 0	(14,704.00)	(14,704.00)	(14,703.00)	(13,806.00)	(13,806.00)
411100	Accretion Expense ARO				0.00	2,703.00
411150	Deferred SIT Credit - Other Inc & Deduct					(81,909.76)

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Account Number	Description	October-05	November-05	December-05	January-06	February-06
411160	Deferred SIT Credit - Utility Op Inc	(19,084.33)	(11,074.60)	(369,171.77)	(73,263.93)	7,074.58
411845	NOx Cmp Sale Prcnds				(546,250.00)	
411846	NOx Cmp Sale Cost				137,233.00	
411847	SO2 Cmp Sale Prcnds- Non-Native				(1,587,500.00)	
411848	SO2 Cmp Sale Cost- Non-Native				86,130.00	
411990	Taxes Alloc From Serv Co-Elec			265,903.44		
415000	Rev - Jobbing & Contract Work	(13,907.41)	(11,023.00)	(20,890.50)	(18,450.00)	0.00
415100	Othr Inc-Misc Gas Jobbing Rev	(400.00)	(400.00)	(200.00)	0.00	0.00
415520	Othr Inc Electric Jobbing	165.00	(100.00)	(600.00)	(2,066.67)	(3,541.67)
416000	Exp-Jobbing & Contract Work	5,257.18	7,224.81	3,515.63	3,645.59	32,122.50
416320	Elec Jobbing - Specific T&M	5,482.60	2,907.62	1,828.34	3,370.81	1,066.66
416330	Elec Job-Specific Flat Charge	6,774.01	406.77	(1,197.63)	1,811.51	389.46
416562	ED Nonutil Chge-Non Labor Tax					
417000	Non-Utility Revenue	0.00	0.00	0.00		
417001	Non-Utility Service Revenue	(500.00)	(911.96)	0.00		(1,000.00)
417003	Non-Utility Misc Svc Rev-Other					
417501	Nonreg Misc Svc Rev -Other	0.00	0.00	0.00	0.00	0.00
418002	Nonop Rental Inc - Florence	(77,203.21)	(77,203.21)	(91,246.96)	(149,168.46)	(147,162.21)
418012	Non Oper Depr - Florence Fac	57,336.74	57,336.74	57,336.74	55,239.19	55,239.19
419000	Intercompany Interest Income	(20,103.71)	(15,674.67)	(3,745.79)	(3,274.62)	
419040	Interest Income	(8.71)	(1.63)	(1.69)	(5.33)	(1.62)
419230	Interest Income - Earned Carry	(4.54)	(4.54)	(4.54)	(24.05)	(36.14)
419575	Int Inc-VEBA					
419890	Int Inc-Cin Rec Co LLC	(138,833.12)	(160,247.43)	(306,305.51)	(394,716.36)	(381,223.38)
419920	AFUDC Equity	(40,182.81)	(32,127.41)	(34,680.43)	(48,509.65)	(13,919.08)
421000	Misc Non Oper Inc-Other				(172.64)	(159.97)
421200	Loss On Disposal of Property	305.80	30,221.14			
421530	Power Trading Reserve-MTM Gain					
426100	Donations	569.40	1,394.22	957.55	16,605.04	2,447.80
426300	Penalties					
426410	Misc Inc Deduct - Civic/Poli	14,530.43	7,428.05	5,103.11	2,945.30	3,034.28
426510	Income Deductions - Other	770.09	761.92	4,168.59	642.34	777.50
426520	Sale Of A/R Fees	111,072.67	558,904.13	(331,050.45)	99,767.24	98,032.59
426551	VEBA Trust - Expenses					



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<u>Account Number</u>	<u>Description</u>	<u>October-05</u>	<u>November-05</u>	<u>December-05</u>	<u>January-06</u>	<u>February-06</u>
445602	OPA Fuel Clause	65,235.59	58,851.48	61,497.11	62,388.40	57,620.61
445603	OPA DSM	7,142.32	6,437.23	6,789.75	6,876.49	6,373.47
447010	Elec Rev - I/C sales				(1,071.25)	(3,368.80)
447810	Elec Rev - Non-native sales				(2,593,748.93)	(1,854,644.38)
447931	Sales For Resale-Futures					
448500	Inter Dept Sales - Elec	(15,597.32)	(17,275.22)	(19,513.43)	(21,121.89)	(17,976.48)
450000	Late Payment Charge	0.00	0.00	0.00	0.00	0.00
451010	Misc Service Revenues	(4,153.76)	(1,300.16)	(2,607.25)	(2,421.92)	(2,870.02)
451020	Misc Rev Reconnection Charge	(5,158.50)	(5,997.00)	(2,299.50)	(5,385.00)	(3,930.00)
451040	Temporary Facilities			(96,052.73)		
451050	Misc Rev Cust Diversn Exp	(1,487.32)	(1,359.43)	(305.42)	(32.52)	(1,064.01)
451060	Misc Rev Bad Check Charge	(1,688.50)	(1,705.00)	(1,496.00)	(1,336.50)	(896.50)
454010	Rent Elec Land And Buildings					
454020	Rent Elec Other Equipment	(2,382.33)	(2,382.33)	(2,382.33)	(2,532.53)	(2,532.53)
454050	Rent From Elec Prop CATV	(24.00)	(24.00)	24.00		
454100	Pole Contact Rentals	(58.00)		(108.00)	441.45	
454160	Rent Land Elec Prop Net CCD				(94,246.10)	(93,809.35)
454200	Other Rent-Electric Property	(6,500.00)	(6,500.00)	(6,500.00)	(7,525.00)	(7,525.00)
454710	Rent Common Facilities Units 7				(55,616.38)	(55,616.38)
454850	Cost of Capital Overhead - ED	(102.03)	(29.42)	(9.54)	(27.85)	(6.18)
456025	RSG Revenue - MISO Make Whole				(333,065.91)	(968,387.71)
456040	Sales Use Tax Coll Fee	(899.40)	(899.40)	(899.40)	(899.41)	(1,500.05)
456075	Data Processing Service	(13.00)	(13.00)	(13.00)	(13.00)	(13.00)
456350	Fuel Management Revenues				(113,318.79)	(22,162.95)
456855	I/C Transmission Revenue	(17,754.24)	(21,969.86)	(17,094.23)	(20,436.10)	(21,469.98)
500000	Supervision And Engineering		149.60		155,028.31	161,085.66
501008	Fuel Handling Expense				41,886.35	58,476.35
501020	Fuel Procurement And Handling				19,352.13	20,398.74
501109	Coal-Miami Fort Units 5-7				1,785,893.27	1,887,315.49
501116	Coal-East Bend Station				4,445,309.49	4,220,097.68
501202	Fuel Oil-Miami Fort Units 5-7				23,596.72	6,342.80
501215	Fuel Oil - East Bend Station				131,004.60	68,660.23
501300	Residual Disposal Costs			35.92	42,505.34	34,381.91
501302	Residual Disposal Expense - NE				0.40	0.33

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>October-05</u>	<u>November-05</u>	<u>December-05</u>	<u>January-06</u>	<u>February-06</u>
501304	Reimb Assoc With Residual Disp				(5,142.60)	
501996	Non Native Load Fuel Expense				1,668,699.75	1,077,764.31
501997	Contra Non Native Load Fuel Exp				(1,668,699.75)	(1,077,764.31)
502000	Steam Expenses			132.60	196,404.76	298,785.91
502040	Cost of Lime				613,690.11	480,878.52
505000	Electric Expenses				67,528.00	52,752.55
506000	Miscellaneous Steam Power Exp	141.10	(110.03)	119.34	121,244.51	216,126.87
507000	Rent Expense - Steam Power				38,730.00	38,730.00
509010	SO2 Emission Expense - Native				51,901.72	359,399.04
509030	SO2 Emission Expense-NonNative				73,556.08	336,936.60
510000	Maint - Supervision/Engineer				57,343.25	66,040.99
511000	Maintenance of Structures				103,377.31	71,088.56
512000	Maintenance of Boiler Plant			45.07	525,928.36	410,903.05
512030	Maint of Boiler Plant - FGD				492.88	
512100	Removal - Boiler Plant				311.35	3,458.59
512251	Maint of Boiler Plant-TM Over				2,038.71	3,016.88
513000	Maintenance of Electric Plant	233.56	123.40	(158.32)	36,343.21	103,975.18
514000	Maint Misc Steam Plant				64,294.81	73,084.80
546000	Other Power - Supv/Engr Labor				30,326.84	29,144.76
547303	Gas Purchases From CMT				1,199.97	(69.00)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>March-06</u>
403000	Depreciation Expense	2,274,379.42
403005	Depreciation Expense - ARO	
404201	Amort Exp - Limited Term	101,649.98
408020	Ohio Property Taxes - Prod	174,192.00
408055	Kentucky Property Tax - Elec	208,372.74
408065	Ky Property Taxes - East Bend	62,500.00
408220	Payroll Taxes - Non Utility	14,900.38
408240	Payroll Taxes-Joint Ownership	(19,719.07)
408390	Ohio Franchise Tax	
408410	Social Security Taxes	127,607.36
408420	West Virginia License Tax	
408490	Indiana Highway Use Tax	
408510	Federal Highway Use Tax - Elec	
408530	Ohio Highway Use	
408550	Kentucky Highway Use	12.88
408590	Highway Taxes - Misc States	
408740	Sales and Use Expense	(22,650.32)
409050	Federal Income Taxes Other Inc & Deduct	68,949.00
409060	Federal Income Taxes Utility Op Income	482,720.00
409150	State/Local Inc Taxes Other Inc & Deduct	14,322.00
409160	State/Local Inc Tax Exp Utility Op Inc	95,333.00
409990	Taxes Alloc From Serv Co-Elec Federal	(3,813.47)
409995	Taxes Alloc From Serv Co-Elec State	1,980.74
410050	Deferred FIT Other Inc & Deduct	(11,638.00)
410060	Deferred FIT Utility Operating Inc	732,305.55
410150	Deferred SIT Other Inc & Deduct	(2,428.00)
410160	Deferred SIT Utility Operating Inc	133,891.42
410990	Taxes Alloc From Svc Co - Elec	
411050	Deferred FIT Credit Other Inc & Deduct	(231,049.00)
411055	Deferred FIT Credit Other Inc & Ded TI 0	(47,463.00)
411060	Deferred FIT Credit - Utility Op Inc	(73,726.13)
411065	Deferred FIT Credit - Util Op Inc TI 0	(13,806.00)
411100	Accretion Expense ARO	(2,703.00)
411150	Deferred SIT Credit - Other Inc & Deduct	(40,977.00)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>March-06</u>
411160	Deferred SIT Credit - Utility Op Inc	(15,008.92)
411845	NOx Cmp Sale Prclds	(257,500.00)
411846	NOx Cmp Sale Cost	97,038.00
411847	SO2 Cmp Sale Prclds- Non-Native	
411848	SO2 Cmp Sale Cost- Non-Native	
411990	Taxes Alloc From Serv Co-Elec	
415000	Rev - Jobbing & Contract Work	(3,581.00)
415100	Othr Inc-Misc Gas Jobbing Rev	0.00
415520	Othr Inc Electric Jobbing	(1,291.52)
416000	Exp-Jobbing & Contract Work	35,191.47
416320	Elec Jobbing - Specific T&M	4,122.34
416330	Elec Job-Specific Flat Charge	(120.85)
416562	ED Nonutil Chge-Non Labor Tax	
417000	Non-Utility Revenue	
417001	Non-Utility Service Revenue	
417003	Non-Utility Misc Svc Rev-Other	
417501	Nonreg Misc Svc Rev -Other	0.00
418002	Nonop Rental Inc - Florence	(51,573.33)
418012	Non Oper Depr - Florence Fac	55,239.19
419000	Intercompany Interest Income	(47,977.74)
419040	Interest Income	(9,695.31)
419230	Interest Income - Earned Carry	(31.58)
419575	Int Inc-VEBA	
419890	Int Inc-Cin Rec Co LLC	(321,175.44)
419920	AFUDC Equity	2,189.52
421000	Misc Non Oper Inc-Other	
421200	Loss On Disposal of Property	
421530	Power Trading Reserve-MTM Gain	(39,371.00)
426100	Donations	2,252.18
426300	Penalties	
426410	Misc Inc Deduct - Civic/Poli	3,370.58
426510	Income Deductions - Other	1,916.52
426520	Sale Of A/R Fees	105,204.64
426551	VEBA Trust - Expenses	(222.77)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account</u> <u>Number</u>	<u>Description</u>	<u>March-06</u>
427010	Interest Exp On Long Term Debt	692,542.27
428010	LT Debt Discount / Exp Amort	226,578.78
428011	LT Debt Discount / Exp Amort	(2,236.79)
430000	Intercompany Interest Expense	426,527.74
431000	Interest Expense	174.21
431020	Interest Exp-Cust Service Dep	21,609.37
431130	Interest Exp - Capital Lease	66,457.42
431550	Interest Exp-Assign From Svc	(379.23)
432000	AFUDC Debt	(28,398.58)
432300	Capitalized Interest-Elec Prod	(27,691.52)
432500	Capitalized Interest	(6,707.60)
440500	Elec Rev Residential - General	(5,340,929.04)
440510	Elec Rev Residential-Unbilled	130,000.00
440601	Res Base Fuel	(2,215,149.33)
440602	Res Fuel Clause	292,880.33
440603	Res DSM	(199,672.39)
442500	Elec Rev Commercial - General	(4,525,141.75)
442510	Elec Rev Commercial - Unbilled	(364,000.00)
442550	Elec Rev Industrial - General	(2,032,989.79)
442560	Elec Rev Industrial - Unbilled	(217,000.00)
442601	Com Base Fuel	(1,988,182.33)
442602	Com Fuel Clause	262,836.03
442603	Com DSM	30,745.23
442651	Ind Base Fuel	(1,150,244.64)
442652	Ind Fuel Clause	149,274.71
442653	Ind DSM	16,452.94
444500	Public St And Highway Lighting	(68,343.84)
444601	SL Base Fuel	(19,956.53)
444602	SL Fuel Clause	2,651.21
444603	SL DSM	34.21
445500	Sales Pub Authority Muni Pump	(13,470.53)
445510	Sales Public Authority Other	(935,274.47)
445520	Sales Public Authority-Unbill	(88,000.00)
445601	OPA Base Fuel	(449,977.13)

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>March-06</u>
445602	OPA Fuel Clause	57,102.31
445603	OPA DSM	6,287.04
447010	Elec Rev - I/C sales	(2,934.43)
447810	Elec Rev - Non-native sales	(2,648,282.67)
447931	Sales For Resale-Futures	(316.50)
448500	Inter Dept Sales - Elec	(19,093.69)
450000	Late Payment Charge	0.00
451010	Misc Service Revenues	(4,826.61)
451020	Misc Rev Reconnection Charge	(4,748.00)
451040	Temporary Facilities	
451050	Misc Rev Cust Diversn Exp	(142.71)
451060	Misc Rev Bad Check Charge	(1,666.50)
454010	Rent Elec Land And Buildings	
454020	Rent Elec Other Equipment	(2,532.53)
454050	Rent From Elec Prop CATV	
454100	Pole Contact Rentals	(36.00)
454160	Rent Land Elec Prop Net CCD	(104,487.33)
454200	Other Rent-Electric Property	(7,525.00)
454710	Rent Common Facilities Units 7	(55,616.38)
454850	Cost of Capital Overhead - ED	(38.34)
456025	RSG Revenue - MISO Make Whole	(245,004.18)
456040	Sales Use Tax Coll Fee	(899.40)
456075	Data Processing Service	(13.00)
456350	Fuel Management Revenues	(24,686.10)
456855	I/C Transmission Revenue	(14,721.49)
500000	Supervision And Engineering	164,258.61
501008	Fuel Handling Expense	63,694.21
501020	Fuel Procurement And Handling	22,809.14
501109	Coal-Miami Fort Units 5-7	2,112,354.50
501116	Coal-East Bend Station	4,632,880.01
501202	Fuel Oil-Miami Fort Units 5-7	25,960.18
501215	Fuel Oil - East Bend Station	23,384.70
501300	Residual Disposal Costs	60,800.40
501302	Residual Disposal Expense - NE	0.35

DUKE ENERGY KENTUCKY  
TRIAL BALANCE  
ELECTRIC OPERATIONS INCOME STATEMENT  
APRIL 30, 2005 THROUGH MARCH 31, 2006

<u>Account Number</u>	<u>Description</u>	<u>March-06</u>
501304	Reimb Assoc With Residual Disp	
501996	Non Native Load Fuel Expense	1,592,595.38
501997	Contra Non Native Load Fuel Exp	(1,592,595.38)
502000	Steam Expenses	227,322.59
502040	Cost of Lime	520,375.01
505000	Electric Expenses	59,370.20
506000	Miscellaneous Steam Power Exp	202,443.13
507000	Rent Expense - Steam Power	38,730.00
509010	SO2 Emission Expense - Native	335,844.00
509030	SO2 Emission Expense-NonNative	385,926.00
510000	Maint - Supervision/Engineer	93,023.66
511000	Maintenance of Structures	124,281.87
512000	Maintenance of Boiler Plant	485,921.52
512030	Maint of Boiler Plant - FGD	1,493.52
512100	Removal - Boiler Plant	6,151.79
512251	Maint of Boiler Plant-TM Over	1,026.22
513000	Maintenance of Electric Plant	54,396.77
514000	Maint Misc Steam Plant	56,505.57
546000	Other Power - Supv/Engr Labor	31,638.54
547303	Gas Purchases From CMT	

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

**KyPSC-DR-01-031**

**REQUEST:**

31. For each of the Statement of Financial Accounting Standards ("SFAS") identified below, provide the information listed concerning implementation for Duke Kentucky's electric operations.
- a. SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."
    - (1) The date that Duke Kentucky adopted the SFAS.
    - (2) The effect on the financial statements.
    - (3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.
  
  - b. SFAS No. 109, "Accounting for Income Taxes."
    - (1) The date that Duke Kentucky adopted the SFAS.
    - (2) The effect on the financial statements.
    - (3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.
  
  - c. SFAS No. 112, "Employers' Accounting for Postretirement Benefits."
    - (1) The date that Duke Kentucky adopted the SFAS.
    - (2) The effect on the financial statements.
    - (3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.
  
  - d. SFAS No. 143, "Accounting for Asset Retirement Obligations."
    - (1) The date that Duke Kentucky adopted the SFAS.
    - (2) The effect on the financial statements.



- (3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.
- (4) A schedule comparing the depreciation rates utilized by Duke Kentucky prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

**RESPONSE:**

- a.
  1. Duke Energy Kentucky SFAS No.106 effective January 1, 1993.
  2. There was no material impact on the results of operations at the time of adoption.
  3. The base period and the forecasted test period include \$1,277,844 and \$1,553,144 respectively of fringe benefit costs for SFAS 106 costs.
  
- b.
  1. Duke Energy Kentucky adopted SFAS No. 109 effective January 1, 1993.
  2. SFAS No. 109 required the Company to defer, in accounts 190, 282, and 283, the federal and state income tax effect of the adoption of SFAS No. 109 with offsetting entries to regulatory asset and regulatory liability accounts. Since adoption, the Company has continued to determine income taxes in compliance with SFAS No. 109, Accounting for Income Taxes.
  3. The implementation of SFAS No. 109, in 1993, had no direct impact on either the base period or the forecasted period. However, those periods include the electric portion of SFAS No. 109 deferred income tax balances in the following amounts:
 

Account 190	\$ 618,110
Account 282	(\$ 417,261)
  
- c.
  1. Duke Energy Kentucky adopted SFAS No.112, effective January 1, 1993
  2. There was no material impact on the results of operations at the time of adoption.
  3. The base period and the forecasted test period include \$60,360 and \$199,919, respectively, of fringe benefit costs for SFAS 112 costs.
  
- d.
  1. Duke Energy Kentucky adopted SFAS No. 143, effective January 1, 2003. In December 2005, Duke Energy Kentucky implemented Financial Accounting Standards Board Interpretation No. 47 (FIN 47), an interpretation of SFAS No. 143.
  2. There was no impact on the financial statements of Duke Energy Kentucky for the implementation of SFAS No. 143 or FIN 47 for electric operations.
  3. There is no impact reported in the base or forecasted periods for electric operations for the implementation of SFAS No. 143 or FIN 47. However, several asset retirement obligations were transferred to Duke Energy Kentucky as of January 1, 2006, which were subject to the implementation

when reported on Duke Energy Ohio. Below are the Duke Energy Kentucky financial statement impacts of the transfer with respect to SFAS No. 143 and FIN 47.

January 1, 2006 Transfer:

Property, plant, and equipment	\$ 710,224
Accumulated depreciation	\$ 350,037
Other non-current liabilities	\$1,736,393

Base Period Impacts:

Accumulated depreciation	\$ 24,132
Regulatory assets	\$ 85,341
Other non-current liabilities	\$ 61,209

Forecasted Period Impacts:

Accumulated depreciation	\$ 36,198
Regulatory assets	\$ 134,038
Other non-current liabilities	\$ 97,840

4. There was no change in depreciation rates utilized by Duke Energy Kentucky as a result of SFAS 143 or FIN 47.

**WITNESS RESPONSIBLE:** a.,c. Dwight L. Jacobs  
b. Keith G. Butler  
d. Carl J. Council, Jr.

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

**KyPSC-DR-01-032**

**REQUEST:**

32. Provide copies of all service agreements and contracts that Duke Kentucky has with any affiliate company. Include a narrative discussion of the pricing policies of Duke Kentucky and its affiliates with regard to affiliate company transactions.

**RESPONSE:**

Attachments KyPSC-DR-01-032-A through H, as listed below represent the service agreements and contracts that Duke Kentucky has with affiliate companies. See response to KyPSC-DR-01-033(a) & (c) for the pricing policies of Duke Energy Kentucky and its affiliates with regard to affiliate transactions.

- A. Operating Company/Non-Utility Companies Service Agreement - see Duke Energy Kentucky's application at Volume 16, Attachment E-1.
- B. Operating Companies Service Agreement - see Duke Energy Kentucky's application at Volume 16, Attachment E-2.
- C. Service Company Utility Service Agreement - see Duke Energy Kentucky's application at Volume 16, Attachment E-3.
- D. Cinergy Receivables Securitization Program Transaction Documents between The Cincinnati Gas & Electric Company, PSI Energy, Inc., The Union Light, Heat and Power Company, and The Lawrenceburg Gas Company (Operating Companies) and Cinergy Telecommunication Networks-Indiana, Inc., see Attachment KyPSC-DR-01-032 (E).
- E. Facilities and Services Agreement between The Cincinnati Gas & Electric Company, PSI Energy, Inc., The Union Light, Heat and Power Company, and The Lawrenceburg Gas Company (Operating Companies) and Cinergy Telecommunication Networks-Indiana, Inc., see Attachment KyPSC-DR-01-032 (E).
- F. Fiber Agreement between The Cincinnati Gas & Electric Company, PSI Energy, Inc., The Union Light, Heat and Power Company, The West Harrison Electric Company and the Lawrenceburg Gas Company and Kentucky Data Link, Inc., see Attachment KyPSC-DR-01-032 (F).

G. Utility Money Pool Agreement by Cinergy Corp. and various Cinergy affiliate companies including The Union Light, Heat and Power Company, see Attachment KyPSC-DR-01-032, (G).

H. Tax Sharing Agreement - see Attachment KyPSC-DR-01-032 (H).

**WITNESS RESPONSIBLE:** Carol E. Shrum

**CINERGY RECEIVABLES  
SECURITIZATION PROGRAM  
TRANSACTION DOCUMENTS**

RECEIVABLES LOAN AGREEMENT

among

CINERGY RECEIVABLES COMPANY LLC

as SPE

THE CINCINNATI GAS & ELECTRIC COMPANY,

as Collection Agent

JUPITER SECURITIZATION CORPORATION,

as a Lender

WINDMILL FUNDING CORPORATION,

as a Lender

BANK ONE, NA,

as a Servicing Agent

ABN AMRO BANK N.V.,

as a Servicing Agent

and

ABN AMRO BANK N.V.,

as Administrative Agent

Dated February 14, 2002

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## RECEIVABLES LOAN AGREEMENT

This RECEIVABLES LOAN AGREEMENT is entered into this February 14, 2002 by and among the following parties:

CINERGY RECEIVABLES COMPANY LLC, a Delaware limited liability company, as the "SPE";

THE CINCINNATI GAS & ELECTRIC COMPANY, in its capacity as the initial "Collection Agent" (as defined below);

JUPITER SECURITIZATION CORPORATION, a Delaware corporation ("JSC") and WINDMILL FUNDING CORPORATION, a Delaware corporation ("WINDMILL") (JSC and, effective as of the date set forth on its signature page, WINDMILL, together with their respective successors and assigns, being referred to herein, individually, as a "Lender" and, collectively, as the "Lenders");

BANK ONE, NA ("Bank One"), as the servicing agent for JSC, and ABN AMRO BANK N.V. ("ABN AMRO"), as the servicing agent for WINDMILL (individually, a "Servicing Agent" and, collectively, the "Servicing Agents"); and

ABN AMRO BANK N.V., as the administrative agent for the Lender (in such capacity, the "Administrative Agent").

### PRELIMINARY STATEMENT

In consideration of the mutual agreements contained herein and the other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

## ARTICLE I

### DEFINITIONS

#### SECTION 1. DEFINITIONS AND RELATED MATTERS.

*Section 1.1. Defined Terms.* In this Second Tier Agreement, unless otherwise specified or defined herein: (a) capitalized terms are used as defined in Annex I attached hereto; and (b) terms defined in Article 9 of the UCC and not otherwise defined herein are used as defined in such Article 9 as in effect on the date hereof.

*Section 1.2. Other Interpretive Matters.* In this Second Tier Agreement, unless otherwise specified: (a) references to any Section or Annex refer to such Section of, or Annex to, this Second Tier Agreement, and references in any Section or definition to any subsection or clause refer to such subsection or clause of such Section or definition; (b) "herein," "hereof,"

*Section 3.3. Maximum Interest.* If at any time the Interest exceeds the Maximum Interest, the SPE shall immediately make a payment to the Collection Agent in an amount sufficient to reduce the Interest to the Maximum Interest. Any such payment will be used to reduce principal amount of the Loans of each Lender based upon each Lender's Loan Percentage at such time.

*Section 3.4. Security Interest.* (a) The SPE hereby grants to the Administrative Agent, for its own benefit and for the benefit of each Lender, a security interest in the Interest and in the Lock-Box Accounts to secure the payment of all amounts owing hereunder and to secure the repayment of all Loans.

(b) The SPE hereby assigns and otherwise transfers as security for amounts payable to the Lenders, the Administrative Agent and the Servicing Agents hereunder to the Administrative Agent (for the benefit of the Administrative Agent, the Lenders and any other Person to whom any amount is owed hereunder), all of the SPE's right, title and interest in, to and under the Purchase Agreement. The SPE shall execute, file and record all financing statements, continuation statements and other documents required to perfect or protect such assignment. This assignment includes (a) all monies due and to become due to the SPE from each Originator under or in connection with the Purchase Agreement (including fees, expenses, costs, indemnities and damages for the breach of any obligation or representation related to such agreement) and (b) all rights, remedies, powers, privileges and claims of the SPE against each Originator under or in connection with the Purchase Agreement. All provisions of the Purchase Agreement shall inure to the benefit of, and may be relied upon by, the Administrative Agent, the Lenders and each such other Person. At any time that a Event of Termination has occurred and is continuing, the Administrative Agent shall have the sole right to enforce the SPE's rights and remedies under the Purchase Agreement to the same extent as the SPE could absent this assignment, but without any obligation on the part of the Administrative Agent, the Lenders or any other such Person to perform any of the obligations of the SPE under the Purchase Agreement (or the promissory note executed thereunder). All amounts paid to the SPE by Obligor on Receivables sold to the SPE under the Purchase Agreement shall constitute Collections hereunder and shall be applied in accordance herewith.

*Section 3.5. Termination Date.* Upon the occurrence of the Termination Date (as defined in the Back-Stop Agreement), the Administrative Agent shall have, in addition to the rights and remedies provided herein, all rights and remedies provided for by applicable law, which shall be taken by the Administrative Agent at the direction of either Servicing Agent.

#### ARTICLE IV

#### LOAN AMOUNTS

The principal amount of a Loan advanced by each Lender for its security interest in the Interest in the Receivables and any Collections shall be determined in accordance with this Article IV.

*Section 4.1. Determination of Loan Amounts.* When a Lender accepts a request from the SPE to make a Loan, such Lender will advance the following amounts in cash to the Collection Agent on behalf of the SPE:

(a) for Initial and Incremental Loans, the amount specified in the notice required to be delivered by the Collection Agent on behalf of the SPE under Section 6.2(a); or

(b) for a Reinvestment Loan, the amount obtained by multiplying (i) the dollar amount of the Collections received during the Settlement Period immediately preceding the Settlement Date on which such Reinvestment Loan is made by (ii) such Lender's Loan Percentage of the Interest on that date, and subtracting from such amount any amounts then payable to the Servicing Agent or the Collection Agent for such Lender under Sections 7.2.2(b)(i) and (ii);

*provided* that the payment of any amount described in (a) or (b) above would not cause (and such amount shall be reduced so as not to cause) either:

- (1) the Loan of such Lender to exceed the Maximum Loan Amount for such Lender; or
- (2) the Aggregate Loan Amount to exceed the Maximum Aggregate Loan Amount; or
- (3) the Interest to exceed the Maximum Interest.

## ARTICLE V

### FEES AND EXPENSES

*Section 5.1. Rate Supplements.* The SPE will enter into a Rate Supplement with each Lender setting forth, among other things, the fees payable by the SPE to such Lender in connection with this Second Tier Agreement.

*Section 5.2. Collection Agent Fee.* On each Settlement Date, the SPE will pay to the Collection Agent the Collection Agent Fee for such Settlement Date. If one of the Originators or one of their Affiliates is acting as the Collection Agent, then the Collection Agent shall retain an amount equal to the Collection Agent Fee (in full satisfaction of the payment of such fee to the Collection Agent) as described in Section 7.2.1.

*Section 5.3. Interest on Unpaid Amounts.* To the extent that the SPE or the Collection Agent fails to pay when due to any Lender, any Servicing Agent or the Administrative Agent any fee, expense or other amount payable hereunder or under any Loan Document, interest shall be due and payable on such unpaid amount, for each day until paid in full, at the rate of two percent in excess of the rate of interest per annum published on such day (or, if not then published, on the most recently preceding day) in *The Wall Street Journal* as the "Prime Rate." Changes in the

rate payable hereunder shall be effective on each date on which a change in the "Prime Rate" is published.

## ARTICLE VI

### LOAN PROCEDURES

*Section 6.1. Types of Loans.* All Loans shall be requested and made by the Lenders on a pro rata basis based upon their Loan Percentages. The [REDACTED] which can be made by a Lender under this Second Tier Agreement are an [REDACTED], an [REDACTED] and a Reinvestment Loan. The first Loan made by a Lender under this Second Tier Agreement is an Initial Loan. Any Loan (other than an Initial Loan) made by a Lender which causes the amount of the Loan to increase is an Incremental Loan. The amount of each Incremental Loan shall be \$1,000,000 or greater. Any Loan made by a Lender with Collections allocable to such Lender is a Reinvestment Loan.

*Section 6.2. Notice Requirements.* (a) In the case of an Initial Loan of an [REDACTED] Loan, the SPE will give the applicable Lender and the Administrative Agent three Business Days prior to the date of the Loan to the SPE for a Loan from a Lender. The notice will be in the form of Exhibit B, and will include the amount of the new Loan requested and the Business Day on which the Loan will be made. Each Lender receiving such notice will notify the SPE within one Business Day after the receipt of such notice from the SPE whether it intends to accept or reject the request. Each Lender must accept such request in whole, or reject it.

(b) Unless an election has been made not to make or borrow [REDACTED] or Reinvestment Loans must automatically cease as provided below, a Lender's Loan Percentage of the Interest in Collections received during any Settlement Period prior to the earliest to occur of (i) the Termination Date (as defined in the Back-Stop Agreement), (ii) the Termination Date and (iii) an Event of Termination shall automatically be used to make Reinvestment Loans by such Lender on the immediately succeeding Settlement Date. The SPE and each Lender may elect not to make Reinvestment Loans by notifying the other parties hereto to such effect. Any such election by the SPE shall apply to each Lender on a pro rata basis based upon the Maximum Loan Amounts of each Lender. Such notice shall be given by no later than 1:00 P.M. New York time on the third Business Day preceding the date on which the Reinvestment Loan was contemplated to be made. The notice will be in the form of Exhibit C-1, and will specify (i) the date on which [REDACTED] Loans shall cease and (ii) the principal amount to which the applicable Lender's Loan shall be reduced before Reinvestment Loans by such Lender will recommence. Reinvestment Loans shall also automatically cease for all Lenders on the earliest to occur of (i) the Termination Date (as defined in the Back-Stop Agreement), (ii) the Termination Date and (iii) the occurrence of an Event of Termination.

(c) Upon notice to a Lender in the form of Exhibit C-2 (by no later than 1:00 P.M. New York time on the third Business Day preceding a Settlement Date), the SPE may, on such Settlement Date, reduce the dollar amount of each Lender's Loan Amount on a pro rata basis based upon the Maximum Loan Amounts of each Lender in lieu of the application of Collections to the amount of such reduction (as described in paragraph 6.2(b) above) by paying to such

Lender, by 3:00 P.M. New York time on the Settlement Date, the dollar amount by which each Lender's Loan Amount is to be reduced, after giving effect to the application of Collections received and applied to the reduction of each Lender's Loan Amount on such Settlement Date.

*Section 6.3.* [REDACTED] The following conditions must be satisfied before any Lender will consider making an Initial Loan:

*Section 6.3.1. Absence of Liens.* The Administrative Agent will have received evidence acceptable to it (including Uniform Commercial Code search reports) that all Receivables and all proceeds thereof are free and clear of liens, security interests, claims and encumbrances.

*Section 6.3.2. Financing Statements.* The Administrative Agent will have received acknowledgment copies of UCC-1 financing statements, and all other documents reasonably requested by the Administrative Agent, to evidence the perfection of the Lenders' Interest in the Receivables.

*Section 6.3.3. Lock-Box Agreement.* The Administrative Agent will have received original Lock-Box Agreements (each a "Lock-Box Agreement" and collectively "Lock-Box Agreements") in the form of Exhibit E executed by the SPE and each of the Lock-Box Banks.

*Section 6.3.4. Receivables Activity Report.* The Administrative Agent will have received a Receivables Activity Report in the form of Exhibit F covering the calendar month ending most recently prior to the date on which this Second Tier Agreement is executed.

*Section 6.3.5. SPE Resolutions.* The Administrative Agent will have received a certificate of each Originator's and the SPE's secretary or an assistant secretary attesting to:

- (a) the resolutions of such Person's Board of Directors or Members or authorized committee thereof authorizing transactions of the type evidenced by the Loan Documents;
- (b) the name(s) and signature(s) of the officer(s) of such Person executing the Loan Documents; and
- (c) the completeness and correctness of the attached articles of incorporation or certificate of formation (certified by the appropriate Secretary of State) and by-laws, or operating agreement of such Person.

*Section 6.3.6. Legal Opinions.* The Administrative Agent will have received opinions from counsel to each Originator and the SPE, substantially in the forms attached hereto as Exhibit G.

*Section 6.3.7. Good Standing Certificates.* The Administrative Agent will have received a certificate of recent date issued by the appropriate official in such Person's jurisdiction of organization and jurisdiction of its principal place of business as to the legal existence and good standing of each Originator and the legal existence of the SPE.

*Section 6.3.8. UCC Releases.* The Administrative Agent shall have received (or be satisfied that it will receive following the application of the proceeds of an Initial Loan), UCC-3 Termination Statements, if any, executed by all parties listed as secured parties on UCC Financing Statements covering the Receivables.

*Section 6.3.9. Rate Supplement.* Such Lender will have received a Rate Supplement executed by the SPE and such Lender.

~~Section 6.3.10. Condition Precedent to an Incremental Loan.~~ Before any Lender will make an Incremental Loan, the Administrative Agent and the Servicing Agent for such Lender will have received (i) a Receivables Activity Report in the form of Exhibit F covering the last Settlement Period for which such report was required to be delivered under Section 7.4 and (ii) if and to the extent such Lender requests, a reasonable estimate of the aggregate outstanding balance of all Receivables as of the Business Day preceding the date of the Incremental Loan.

*Section 6.5.* ~~Section 6.5.1. Condition Precedent to a Loan.~~ The following conditions must be satisfied before any Lender who has accepted an offer to make a Loan will be obligated to make such Loan:

~~Section 6.5.2. Representations and Covenants.~~ On and as of the date of such Loan (i) the representations of the SPE in Article IX hereof and the representations of the Originators in Section 4 of the Purchase Agreement shall be true and correct with the same effect as if made on such date and (ii) the SPE shall be in compliance with the covenants set forth in this Second Tier Agreement and the Originators shall be in compliance with the covenants set forth in Section 5 of the Purchase Agreement.

*Section 6.5.2. Other Documents.* The Administrative Agent, each Servicing Agent and each Lender will have received all other documents that any of them had reasonably requested from the SPE.

## ARTICLE VII

### SETTLEMENT PROCEDURES

*Section 7.1. Settlement Date.* Each of the following shall constitute a Settlement Date:

- (a) the last Business Day of each month;
- (b) each day designated as a Settlement Date by any Lender by notice to the Administrative Agent, the Servicing Agents and the SPE;

(c) each Business Day on which any Lender's Loan Amount is reduced in accordance with Section 6.2; and

(d) any date on which a reduction in the Aggregate Loan Amount is required to prevent the Interest from exceeding the Maximum Interest.

*Section 7.2. Application of Collections.* The Collection Agent will retain Collections between Settlement Dates and will hold the Interest in such Collections that will be required to be distributed to the Lenders on the next Settlement Date pursuant to Section 7.2.1 in trust for the Lenders pending such disbursement.

*Section 7.2.1. Application of Collections on Settlement Dates.* The Collection Agent will, by 3:00 P.M. (New York time) on each Settlement Date, from Collections received since the preceding Settlement Date:

(a) *first*, pay to the Collection Agent on behalf of the SPE for its ownership in the Collections that are not subject to the Interest an amount equal to the product of: (i) 1 minus the Interest and (ii) total Collections; and

(b) *second*, from the Lenders' Interest in the Collections, pay:

(i) *first*, to each Servicing Agent for the account of the related Lender an amount equal to the Carrying Costs due to such Lender on such Settlement Date;

(ii) *second*,

(A) to the extent Reinvestment Loans by any Lender have been suspended, then such Lender's Loan Percentage of all remaining Collections will be paid to such Lender as a repayment of its Loan Amount; or

(B) to the extent Reinvestment Loans by any Lender have not been suspended, then such Lender's Loan Percentage of all remaining Collections shall be paid to the Collection Agent for the account of the SPE for a Reinvestment Loan by such Lender;

any payment to Collection Agent on behalf of the SPE for its ownership interest in the Receivables that is not subject to the Interest shall be free and clear of any security interest in favor of Administrative Agent, either Servicing Agent or either Lender. Administrative Agent, each Servicing Agent and each Lender shall confirm the absence of such security interest in writing from time to time promptly upon request by SPE or any Originator. The SPE shall pay the Collection Agent Fee from amounts distributed to it hereunder.



*Section 7.3. Dilution and Other Billing Adjustments.* (a) The Collection Agent shall immediately notify the Administrative Agent and each Lender if (i) the representation and warranty contained in Section 9.1(f) is no longer true with respect to a Receivable in which the Lenders have an Interest, (ii) the Collection Agent proposes to (x) materially reduce or cancel the outstanding balance of a Receivable in which the Lenders have an Interest as a result of defective, rejected or returned merchandise or services or in connection with a claim, dispute, or offset asserted against such Receivable by an Obligor or (y) otherwise amend, modify or waive any term or condition of such Receivable in any material respect or (iii) the Collection Agent obtains notice that a Receivable which was not to the best of the Collection Agent's knowledge a Defaulted Receivable at the time it became subject to the Interest was a Defaulted Receivable at such time.

(b) On the date any notice is given as described in Section 7.3(a), and in any event prior to its taking any of the actions referred to in clause (ii) thereof, the SPE shall:

(i) adjust the Interest in effect on such date by decreasing "ER" in the denominator of the fraction described in Section 3.1(a) by the face amount of the affected Receivable to the extent that the Interest would not, as a result, exceed the Maximum Interest; and

(ii) pay cash to the Collection Agent on behalf of the Lenders in an amount equal to the face amount of the affected Receivable less the amount of any adjustment made to the Interest with respect to such Receivable pursuant to clause (i) above, to be applied in accordance with Section 7.2.

*Section 7.4. Receivables Activity Report.* The Collection Agent will provide the Lenders with a Receivables Activity Report no later than 5 days prior to each Settlement Date. The Receivables Activity Report will be in the form of Exhibit F and will cover the most recently completed Settlement Period.

*Section 7.5. Sharing of Payments.* If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any amount owing to it under or in connection with this Second Tier Agreement (other than any payment made pursuant to Article XI), which is in excess of its Loan Percentage of payments made to the Lenders in respect of such item or which is inconsistent with Section 7.2.1 or 7.2.2 (as applicable), such Lender shall forthwith purchase from the other Lenders such participations in such other Lenders' Loan (or Carrying Costs with respect thereto) as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them as if such amount were distributed pursuant to Section 7.2.1 or 7.2.2 (as applicable); *provided, however,* that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each selling Lender shall be rescinded and such selling Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such selling Lender's ratable share of any Carrying Costs or other amounts paid or payable by the purchasing Lender in respect of the total amount so recovered.

## ARTICLE VIII

### AGENTS

*Section 8.1. Appointment of Administrative Agent.* Each Lender and each Servicing Agent appoint ABN AMRO as Administrative Agent and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers as are expressly delegated to the Administrative Agent by the terms hereof, together with such other powers as are reasonably incidental thereto. When requested to do so by the Lenders, the Administrative Agent shall take such action or refrain from taking such action as the Lenders direct under or in connection with or on any matter relating to the Back-Stop, Agreement and all other Loan Documents. In the event of a conflict between a determination or calculation made by the Administrative Agent and a determination or calculation made by the Lenders, the determination or calculation made by the Lenders shall control. Except for actions which the Administrative Agent is expressly required to take pursuant to this Second Tier Agreement, the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to applicable law unless the Administrative Agent shall receive further assurances to its satisfaction from the Lenders of the indemnification obligations under Section 8.1.5 against any and all liability and expense which may be incurred in taking or continuing to take such action. The Administrative Agent agrees to give to each Lender prompt notice of each notice and determination given to it by the SPE, or by it to the SPE, pursuant to the terms of this Second Tier Agreement. Subject to Section 8.1.6, the appointment and authority of the Administrative Agent hereunder shall terminate on the Collection Date.

*Section 8.1.1. UCC Filings.* The Lenders and the SPE expressly recognize and agree that the Administrative Agent may be listed as the assignee or secured party of record on, and the Lenders expressly authorize the Administrative Agent to execute on their behalf as their agent, the various UCC filings required to be made hereunder in order to perfect the transfer of the Interest from the SPE to the Lenders, that such listing and/or execution shall be for administrative convenience only in creating a record or nominee owner to take certain actions hereunder on behalf of the Lenders or to execute UCC filings on behalf of the Lenders and that such listing and/or execution will not affect in any way the status of the Lenders as the holders of the Interests. In addition such listing or execution shall impose no duties on the Administrative Agent other than those expressly and specifically undertaken in accordance with this Article VIII. In furtherance of the foregoing, each Lender shall be entitled to enforce its rights created under this Second Tier Agreement without the need to conduct such enforcement through the Administrative Agent except as provided herein.

*Section 8.1.2. Administrative Agent's Reliance, Etc.* Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this Second Tier Agreement, except for its or their own gross negligence or willful misconduct. Without limiting the foregoing, the Administrative Agent: (i) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in

accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made by the SPE in or in connection with this Second Tier Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Second Tier Agreement on the part of the SPE or to inspect the property (including the books and records) of the SPE; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability or genuineness, sufficiency or value of this Second Tier Agreement or any other instrument or document furnished pursuant hereto; and (v) shall incur no liability under or in respect of this Second Tier Agreement by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by telex) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

*Section 8.1.3. ABN AMRO and Affiliates.* ABN AMRO and its Affiliates may generally engage in any kind of business with the SPE or any Obligor, any of their respective Affiliates and any person who may do business with or own securities of the SPE or any Obligor or any of their respective Affiliates, all as if ABN AMRO were not the Administrative Agent and without any duty to account therefor to the Lender.

*Section 8.1.4. Lender's Loan Decision.* Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any other Lender or the Servicing Agent for any other Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Second Tier Agreement and, if it so determines, to make Loans secured by the Interest hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any other Lender or the Servicing Agent for any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Second Tier Agreement.

*Section 8.1.5. Indemnification.* Each Lender severally agrees to indemnify the Administrative Agent (to the extent not reimbursed by the SPE), ratably in accordance with its Loan Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Second Tier Agreement or any action taken or omitted by the Administrative Agent under this Second Tier Agreement; *provided*, that (i) a Lender shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting or arising from the Administrative Agent's gross negligence or willful misconduct and (ii) a Lender shall not be liable for any amount in respect of any compromise or settlement of any of the foregoing unless such compromise or settlement is approved by such Lender. Without limitation of the generality of the foregoing, to the extent not paid by the SPE hereunder, each Lender agrees to reimburse the Administrative Agent, promptly upon demand, ratably in accordance with its Ratable

Share, for any reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Second Tier Agreement, *provided*, that a Lender shall not be responsible for the costs and expenses of the Administrative Agent in defending itself against any claim alleging the gross negligence or willful misconduct of the Administrative Agent.

*Section 8.1.6. Successor Administrative Agent.* The Administrative Agent may resign at any time by giving sixty days' written notice thereof to the Lenders, the Servicing Agents, the SPE and the Collection Agent (it being understood that ABN AMRO does not currently foresee resigning as Administrative Agent hereunder so long as Windmill is a Lender or ABN AMRO is a Servicing Agent and is unaware of any current facts or circumstances that would cause it to resign). Upon any such resignation, the Lenders shall have the right to appoint a successor Administrative Agent approved by the SPE (which approval will not be unreasonably withheld or delayed). If no successor Administrative Agent shall have been so appointed by the Lenders, and shall have accepted such appointment, within sixty days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent approved by the SPE (which approval will not be unreasonably withheld or delayed), which successor Administrative Agent shall be (a) either (i) a commercial bank having a combined capital and surplus of at least \$250,000,000, (ii) an Affiliate of such bank, or (iii) an Affiliate of Bank One or ABN AMRO and (b) experienced in the types of transactions contemplated by this Second Tier Agreement. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Second Tier Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Second Tier Agreement.

*Section 8.2. Appointment of Servicing Agents.* Each Lender has appointed the respective institution identified on the signature pages hereto as its Servicing Agent. Each Servicing Agent is responsible for administering and enforcing this Second Tier Agreement on behalf of its respective Lender and fulfilling all other duties expressly assigned to it in this Second Tier Agreement. Each Lender has granted its Servicing Agent the authority to take all actions necessary to assure compliance by the SPE with the terms of this Second Tier Agreement and to take all actions required or permitted to be performed by such Lender under this Second Tier Agreement. In performing its functions and duties hereunder, each Servicing Agent shall act solely as the agent of its respective Lender and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for any other Lender or for the SPE or any of its respective successors and assigns.

*Section 8.2.1. Replacement of Servicing Agents.* Each Lender may, at any time in its discretion, remove its Servicing Agent and appoint a new Servicing Agent, which shall have the duties described in Section 8.2.

*Section 8.2.2. ABN AMRO as Servicing Agent for Windmill.* (a) In addition to the duties described in Section 8.2, ABN AMRO in its capacity as agent for Windmill (in such capacity, the "Windmill-Agent"), shall make all Loans hereunder for the benefit of Windmill. Notwithstanding any other provision hereof, the Windmill-Agent shall have no obligation to make Loans secured by in the Interest from the SPE or otherwise provide any funds on behalf of Windmill in connection with any notice of an offer to make a Loan hereunder except to the extent that the Windmill-Agent shall have received such amount from Windmill under the Windmill Transfer Agreement. Each of the parties hereto acknowledges and agrees that recourse hereunder or under any of the other Loan Documents against the Windmill-Agent as a Lender hereunder is expressly limited to amounts the Windmill-Agent can recover from Windmill under the Windmill Transfer Agreement; *provided, however,* subject to the limitations set forth in Section 4.10 of the Windmill Transfer Agreement, that nothing herein shall limit the ability of any party to bring or enforce any claim directly against Windmill. Each of the parties hereto acknowledges and agrees that the provisions of Section 12.8 hereof apply to Windmill and not to the Windmill-Agent.

(b) Each Lender, the SPE and the Administrative Agent are advised that ABN AMRO is the duly authorized and appointed agent for Windmill for all purposes of this Second Tier Agreement and any transactions contemplated to be consummated thereunder. Any notice or other communication to be given to Windmill hereunder by any party hereto shall be effective upon the giving of such notice or communication to ABN AMRO, and each consent or other direction to be given hereunder by Windmill shall be effective upon the giving of such consent or other direction by ABN AMRO, in each case without the requirement on the part of any other party hereto to take any further action to give such notice or communication directly to, or to receive such consent or other direction directly from, Windmill.

*Section 8.3. Appointment of Collection Agent.* (a) The SPE hereby appoints The Cincinnati Gas & Electric Company ("CG&E") as Collection Agent, and the Collection Agent accepts such appointment. The Collection Agent shall be responsible for collecting the Receivables, tracking, holding and remitting the Collections and fulfilling all other duties expressly assigned to it in this Second Tier Agreement. The SPE and each of the Lenders acknowledge that CG&E may delegate to PSI its responsibilities as Collection Agent with respect to Receivables originated by PSI. CG&E may allocate a portion of the Collection Agent Fee to PSI as determined between CG&E and PSI.

(b) The Collection Agent shall, on each day on which Collections are received by it, set aside and hold in trust for the SPE and the Lenders their respective shares of such Collections until applied in accordance with Section 7.2.

(c) The SPE and the Lenders grant the Collection Agent the authority necessary to carry out its duties under this Second Tier Agreement for so long as it is acting as Collection Agent.

(d) The SPE and the Lenders grant to the Collection Agent, for so long as it is acting in that capacity, an irrevocable power of attorney to endorse all drafts, checks and other forms of payment made out in the SPE's name and to settle, adjust and forgive any Receivable, subject to the provisions of Section 10.3(b) hereof. Upon any replacement of the Collection Agent, such power of attorney in favor of the replaced Collection Agent will terminate and have no further force or effect.

(e) The Collection Agent shall exercise reasonable care in the performance of its duties under this Second Tier Agreement and shall use the same degree of care and skill which it applies to its own property.

*Section 8.3.1 Replacement of Collection Agent; Notification of Obligors.*

(a) Upon the occurrence of any of the following events, either Lender may direct the Administrative Agent to cause the SPE to remove CG&E (or any other Originator or Affiliate thereof, that subsequently becomes the Collection Agent) as the Collection Agent, appoint a new Collection Agent, take control of the Lock-Box Accounts (by delivering to the Lock-Box Banks notice in the form of Exhibit D), notify Obligors of the Lenders' Interest in the Receivables and exercise all other incidences of ownership in the Receivables:

(i) any Originator's long-term senior secured debt is rated less than BBB- by Standard & Poor's Ratings Group or less than Baa3 by Moody's Investors Service, Inc.;

(ii) the SPE, any Originator or the Collection Agent (if it is an Originator or an affiliate thereof) shall breach in any material respect any representation or warranty or fail to perform or observe any material term, covenant or agreement applicable to it which is contained in this Second Tier Agreement or any other Loan Document;

(iii) the SPE, any Originator or the Collection Agent (if it is an Originator or an Affiliate thereof) shall fail to pay when due any amount in respect of any debts or obligations (having, in the case of the Originators, an aggregate principal amount outstanding of at least (with respect to CG&E and ULH&P, collectively, or PSI, individually) \$25,000,000 and such failure shall continue after any applicable grace period, or any other event shall occur or condition shall exist in respect of such debts or obligations and shall continue after any applicable grace period, the effect of which is to cause such debts or obligations to become due and payable prior to the stated maturity thereof; *provided*, that the failure to pay a judgment, writ, warrant of attachment or similar process in the amount set forth above shall not give the Administrative Agent the

rights described above unless it remains unvacated, unbonded or unstayed for a period of 30 days;

(iv) the SPE, any Originator or the Collection Agent (if it is an Originator or an Affiliate thereof) is in bankruptcy, reorganization, insolvency or similar proceedings;

(v) on any Settlement Date, the Default Ratio is greater than 16%;

(vi) on any Settlement Date, the Average Maturity exceeds 65 days;

(vii) on any Settlement Date, the fraction (expressed as a percentage) obtained by dividing (A) the aggregate amount of Receivables which have been or should have been charged off in conformity with any Originator's standard credit and collection practices for the month immediately preceding such Settlement Date by (B) the aggregate Collections during the month immediately preceding such Settlement Date exceeds 2.0%; or

(viii) the Parent fails to own directly or indirectly one hundred percent (100%) of the membership interests of the SPE.

(b) The Administrative Agent shall have the right to cause the SPE to remove any successor Collection Agent and to take the other actions described in (a) above at any time as directed by the Lender in its sole discretion.

(c) If CG&E is removed as Collection Agent, CG&E and the SPE shall, to the extent permitted by any applicable licensing agreement, transfer to the Administrative Agent or any successor servicer designated by the Administrative Agent all records, correspondence and documents (including computer software) requested by the Administrative Agent or such successor and to permit such persons to have access to, and to copy, all software used by CG&E or the SPE in the collection, administration or monitoring of the Receivables. To the extent the consent of any third party is required for CG&E or the SPE to transfer to the Administrative Agent or any successor servicer, or to permit the Administrative Agent or such successor servicer to have access to or to copy, any item described in the immediately preceding sentence, CG&E and the SPE agrees to use its best efforts to assist the Administrative Agent or such successor servicer in obtaining such consent.

(d) At any time and from time to time, upon at least sixty (60) days prior written notice to the Administrative Agent from all of the Originators, the Originators may designate any Originator as a Collection Agent, as long as the long term senior secured indebtedness of such designee at the time of the giving of such notice has a rating or ratings of BBB- or higher issued by Standard & Poor's Ratings Group or Baa3 or higher issued by Moody's Investors Service, Inc. Such designee shall be deemed to be the Collection Agent as of the date specified in such notice, and from and after such date, the entity designated as Collection Agent immediately prior to the giving of such notice

shall not incur any further liabilities under this Second Tier Agreement and no rights of Collection Agent under this Second Tier Agreement shall accrue in favor of the entity designated as Collection Agent immediately prior to the giving of such notice.

## ARTICLE IX

### REPRESENTATIONS AND WARRANTIES

*Section 9.1 Representations and Warranties of the SPE and the Collection Agent.* The SPE and the Collection Agent each makes, with respect to itself, the following representations and warranties to each Lender, each Servicing Agent and the Administrative Agent:

(a) Collection Agent is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder. SPE is a limited liability company duly organized and validly existing under the laws of the jurisdiction of its organization and is duly qualified as a foreign limited liability company in each jurisdiction in which the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder.

(b) The execution, delivery and performance by the SPE and the Collection Agent of the Loan Documents are within the SPE's and the Collection Agent's respective corporate or limited liability company powers, as the case may be, have been duly authorized by all necessary corporate or limited liability company action, as the case may be, do not contravene (i) the SPE's or the Collection Agent's respective charters or by-laws or operating agreement, as the case may be, or (ii) any law or any contractual restriction binding on or affecting the SPE or the Collection Agent, and do not result in or require the creation of any lien (other than pursuant hereto) upon or with respect to any of its properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the SPE or the Collection Agent of the Loan Documents.

(d) The Loan Documents, when executed and delivered by the SPE and the Collection Agent, will be the legal, valid and binding obligation of the SPE and the Collection Agent, respectively, enforceable against the SPE and the Collection Agent in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(e) There is no pending or threatened action or proceeding affecting the SPE or the Collection Agent or any of its subsidiaries (other than those disclosed in the



Collection Agent's most recent Form 10-Q filed with the SEC) before any court, governmental agency or arbitrator which reasonably could be expected to materially adversely affect (i) its financial condition or operations or (ii) its ability to perform its obligations hereunder or under any of the Loan Documents, or which reasonably could be expected to affect the legality, validity or enforceability of any Loan Document or of the Interest.

(f) The SPE is the legal and beneficial owner of the Receivables purchased by it free and clear of any lien, security interest, claim or encumbrance, except as created by this Second Tier Agreement; upon each Loan, the applicable Lender will acquire a valid and perfected first priority security interest in the Receivables then existing and in the Collections with respect thereto, free and clear of any lien, security interest, claim or encumbrance, except as created by this Second Tier Agreement.

(g) The information provided by the SPE to the Collection Agent for use in each Receivables Activity Report prepared under Section 7.4 and all information and Loan Documents furnished or to be furnished at any time by the SPE to the Administrative Agent, any Servicing Agent or any Lender in connection with this Second Tier Agreement is or will be accurate in all material respects as of its date, and no such document will contain any untrue statement of a material fact or will omit to state a material fact.

(h) Each Receivables Activity Report prepared by the Collection Agent under Section 7.4 will be accurate in all material respects as of its date, and no such document will contain any untrue statement of a material fact or will omit to state a material fact.

(i) The chief place of business and chief executive office of the SPE and the office where the SPE keeps its records concerning the Receivables are located at the address specified in Exhibit I.

(j) The names and addresses of the Lock-Box Banks, together with the account numbers of the Lock-Box Accounts, are specified in Exhibit H hereto (or at such other Lock-Box Banks and/or with such other Lock-Box Accounts as have been notified to the Administrative Agent).

(k) Each Plan is in compliance with all of the applicable material provisions of ERISA and each Plan intended to be qualified under Section 401(a) of the Code is so qualified. No Plan has incurred an "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code) whether or not waived. The SPE or any ERISA Affiliate: (i) has not incurred or expects to incur any liability under Title IV of ERISA, with respect to any Plan, which could give rise to a lien in favor of the PBGC, other than liability for the payment of premiums, all of which have been timely paid when due in accordance with Section 4007 of ERISA, (ii) has not incurred or expects to incur any withdrawal liability, within the meaning of Section 4201 of ERISA, (iii) is not subject to any lien under Section 412(n) of the Code or Section 302(f) or 4068 of ERISA or arising out of any action brought under Section 4070 or 4301 of ERISA, or

(iv) is not required to provide security to a Plan under Section 401(a)(29) of the Code. The PBGC has not instituted proceedings to terminate any Plan or to appoint a trustee or administrator of any such Plan and no circumstances exist that constitute grounds under Section 4042 of ERISA to commence any such proceedings.

## ARTICLE X

### COVENANTS

*Section 10.1. Affirmative Covenants of the SPE and the Collection Agent.* Until the Collection Date, the SPE and the Collection Agent (with respect to itself) will, unless each Lender has otherwise consented in writing:

(a) Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties and all Receivables and Collections.

(b) Maintain its corporate or limited liability company existence, as the case may be, in the jurisdiction of its incorporation or organization, as the case may be, and qualify and remain qualified in good standing as a foreign corporation or a foreign limited liability company, as the case may be, in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder; *provided* that the Collection Agent may merge or consolidate with or into any person if, immediately after giving effect to such transaction, (i) none of the events described in Section 8.3.1(a) (and no event or circumstance which, with the giving of notice or the passage of time, or both, would constitute such an event) has occurred and is continuing and (ii) the long-term senior secured debt of the Collection Agent or the entity surviving such merger or consolidation, as applicable, is rated BBB- or higher by Standard & Poor's Ratings Group and Baa3 or higher by Moody's Investors Service, Inc.

(c) At any reasonable time and upon reasonable prior notice, permit any Lender, any Servicing Agent or their respective agents or representatives to visit and inspect any of its properties, to examine its books of account and other records and files relating to Receivables (including, without limitation, computer tapes and disks) and to discuss its affairs, business, finances and accounts with its officers.

(d) Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all records and other information, reasonably necessary or advisable for the collection of Receivables (including, without limitation, records adequate to permit, on a daily basis, a reasonable estimate of Receivables and all Collections and adjustments to Receivables).

(e) Cause each Originator, at its expense, to timely and fully perform and comply with all material provisions and covenants required to be observed by such Originator under the contracts related to the Receivables.

(f) Keep its place of business or chief executive office (if it has more than one place of business) and the office where it keeps the originals of its records concerning the Receivables at the address of the SPE listed on the signature page hereto or, upon 30 days' prior written notice to the Administrative Agent, at any other location in a jurisdiction where all UCC financing statements required by the Administrative Agent have been filed.

(g) Cause each Originator to comply in all material respects with such Originator's credit and collection policy in regard to each Receivable and any contract related to such Receivable.

(h) Cause all Obligor to be instructed to cause all Collections to be deposited directly into a Lock-Box Account. If Collections are not remitted to a Lock-Box Account, the SPE shall cause such Collections to be remitted to a Lock-Box Account within one Business Day after receipt thereof from an Obligor; *provided*, that the SPE may fail to remit such Collections for a period longer than one Business Day but not to exceed 5 Business Days as long as, the aggregate amount of such Collections does not at any time exceed \$1,000,000.

(i) File and maintain in effect all filings, and take all such other actions, as may be necessary to protect the validity and perfection of the Interest and the security interest in Receivables.

(j) Cause each Plan to comply in all material respects with all applicable provisions of ERISA.

(k) Not (i) permit any accumulated funding deficiency (as defined in Section 302 of ERISA or Section 412 of the Code) to exist with respect to any Plan, whether or not waived, (ii) fail, or permit any ERISA Affiliate to fail, to pay any required installment or any other payment required under Section 412 of the Code with respect to any Plan on or before the due date for such installment or other payment, (iii) terminate, or permit any ERISA Affiliate to terminate, any Plan which would result in any liability of the SPE or any ERISA Affiliate under Title IV of ERISA, (iv) take any action or fail to take any action, or permit any ERISA Affiliate to take any action or fail to take any action, with respect to any multiemployer plan (as defined in Section 3(37) of ERISA) that will result in withdrawal liability of the SPE or any ERISA Affiliate, or (v) amend, or permit any ERISA Affiliate to amend, a Plan resulting in an increase in liabilities such that the SPE or any ERISA Affiliate is required to provide security to such Plan under Section 401(a)(29) of the Code.

(l) *Nonconsolidation.* The SPE will operate in such a manner that the separate corporate existence of the SPE would not be disregarded in the event of the

bankruptcy or insolvency of any Originator or any SPE Affiliate and, without limiting the generality of the foregoing:

(i) the SPE will not engage in any activity other than those activities expressly permitted under the SPE's organizational documents and the Loan Documents, nor will the SPE enter into any agreement other than this Second Tier Agreement, the other Loan Documents to which it is a party and, with the prior written consent of the Administrative Agent, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(ii) the SPE will maintain a business office separate from that of each of the SPE Entities and the Affiliates thereof (which office may be located within the physical premises of the Parent pursuant to an arms' length agreement);

(iii) the SPE will cause the financial statements and books and records of the SPE to reflect the separate corporate existence of the SPE;

(iv) the SPE will not, except as otherwise expressly permitted hereunder, under the other Loan Documents and under the SPE's organizational documents, authorize any SPE Affiliate to (A) pay the SPE's expenses, (B) guarantee the SPE's obligations, or (C) advance funds to the SPE for the payment of expenses or otherwise except that a SPE Affiliate may make contributions to the capital of SPE; and

(v) the SPE will not act as agent for any SPE Affiliate, but instead will present itself to the public as a corporation separate from each such Person and independently engaged in the business of purchasing and financing Receivables.

(m) *Payments on Subordinated Notes.* Subject to the provisions of Section 9 of each Subordinated Note, the SPE may make payments on the Subordinated Notes at any time from Collections not comprising part of the Interest in Collections. Subject to the provisions of Section 9 of the Subordinated Notes, the SPE may make payments on the Subordinated Notes from Collections comprising part of the Interest in Collections, but only after paying (i) all amounts due to the Administrative Agent and each Lender hereunder on or prior to the immediately succeeding Settlement Date, if such payments on the Subordinated Notes are to be made prior to the occurrence of an Event of Termination (as defined in the Back-Stop Agreement) or, (ii) after paying all amounts owing (whether or not due) to the Administrative Agent and each Lender hereunder if such payments on the Subordinated Notes are to be made after the occurrence of an Event of Termination. Any payment from Collections permitted pursuant to this Section 10.1(m) shall be free and clear of any Interest or any other security interest under the Second Tier Agreement in favor of Administrative Agent, either Servicing Agent or either Lender. Administrative Agent, each Servicing Agent and each Lender shall confirm the absence of such security interest from time to time promptly upon request by SPE or any Originator.

(n) Cause each Originator to furnish to the Servicing Agent as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of such Originator, balance sheets of such Originator and its subsidiaries as of the end of such quarter and statements of income and retained earnings of such Originator and its subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of such Originator; *provided* that, so long as such Originator is subject to the information reporting requirements of the Securities Exchange Act of 1934, delivery of such Originator's Form 10-Q as filed with the SEC within 15 days of such filing shall satisfy the requirements of this clause (n).

(o) Cause each Originator to furnish to the Servicing Agent as soon as available and in any event within 100 days after the end of each fiscal year of such Originator, a copy of the annual report for such year for such Originator and its subsidiaries, containing audited financial statements for such year certified by a nationally recognized public accounting firm; *provided* that, so long as such Originator is subject to the information reporting requirements of the Securities Exchange Act of 1934, delivery of such Originator's Form 10-K as filed with the SEC within 15 days of such filing shall satisfy the requirements of this clause (o).

(p) Cause each Originator to furnish to the Servicing Agent promptly after the sending or filing thereof, copies of all reports which such Originator sends to the holders of any of its securities or its creditors, and copies of all reports and registration statements which such Originator or any subsidiary files with the Securities and Exchange Commission or any national securities exchange; *provided* that, so long as such Originator is subject to the information reporting requirements of the Securities Exchange Act of 1934, delivery of such Originator's "current report," Form 8-K or similar form as filed with the SEC within 5 days of such filing shall satisfy the requirements of this clause (p).

*Section 10.2. Reporting Requirements of the SPE.* Until the Collection Date, the SPE will, unless each Lender shall otherwise consent in writing, furnish to each Servicing Agent (or, in the case of (f) below, assist the Collection Agent in furnishing to the Servicing Agents):

(a) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the SPE, balance sheets of the SPE as of the end of such quarter and statements of income and retained earnings of the SPE for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by an officer of the SPE;

(b) as soon as available and in any event within 60 days after the end of each fiscal year of the SPE, balance sheets of the SPE as of the end of such fiscal year and statements of income and retained earnings of the SPE for the period commencing at the end of the previous fiscal year and ending with the end of such current fiscal year, certified by an officer of the SPE;

(c) promptly after the sending or filing thereof, copies of all reports which the SPE sends to the holders of any of its securities or its creditors, and copies of all reports and registration statements, if any, which the SPE files with the Securities and Exchange Commission or any national securities exchange;

(d) (i) promptly and in any event within 30 Business Days after the SPE or any ERISA Affiliate knows or has reason to know that a "reportable event" (as defined in Section 4043 of ERISA) has occurred with respect to any Plan, a statement of the chief financial officer of the SPE setting forth details as to such reportable event and the action that the SPE or an ERISA Affiliate proposes to take with respect thereto, together with a copy of the notice of such reportable event, if any, given to the PBGC, the Internal Revenue Service or the Department of Labor; (ii) promptly and in any event within 10 Business Days after receipt thereof, a copy of any notice the SPE or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such Plan; (iii) promptly and in any event within 10 Business Days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of the chief financial officer of the SPE setting forth details as to such failure and the action that the SPE or an ERISA Affiliate proposes to take with respect thereto, together with a copy of such notice given to the PBGC; and (iv) promptly and in any event within 30 Business Days after receipt thereof by the SPE or any ERISA Affiliate from the sponsor of a multiemployer plan (as defined in Section 3(37) of ERISA), a copy of each notice received by the SPE or any ERISA Affiliate concerning the imposition of withdrawal liability or a determination that a multiemployer plan is, or is expected to be, terminated or reorganized;

(e) such other information, documents, records or reports respecting the Receivables or the condition or operations, financial or otherwise, of the SPE as the Administrative Agent, any Servicing Agent or any Lender may from time to time reasonably request;

(f) the Receivables Activity Report as required under Section 7.4; and

(g) promptly and in any event within 5 Business Days after learning thereof, notice of any rate rebates which any Originator may be required by applicable regulatory authorities to provide to its Obligors and any pending proceedings concerning any such rate rebates.

*Section 10.3. Negative Covenants of the SPE and the Collection Agent.* Until the Collection Date, neither the SPE nor the Collection Agent will, unless each Lender has otherwise consented in writing:

(a) Except as provided herein, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any security interest, lien or encumbrance upon or with respect to Receivables, Collections or any Lock-Box Account or assign any right to receive income in respect thereof.

(b) Except pursuant to any Originator's budget/balanced billing payment plan or deferred arrangement payment plan, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any contract related thereto, in each case so as to extend the maturity thereof.

(c) Permit any Originator to make any change in the character of its business or its credit and collection policy which would, in either case, be reasonably likely to materially impair the collectibility of any Receivable unless such change is required by applicable regulatory authorities. Any such change will be promptly notified to each Lender and the Administrative Agent.

(d) Add or terminate any bank as a Lock-Box Bank from those listed on Exhibit H hereto, or make any change in its instructions to Obligor regarding payments to be made to the SPE or payments to be made to any Lock-Box Bank, unless the Administrative Agent shall have received notice of such addition, termination or change and, with respect to the addition of any Lock-Box Bank, a Lock-Box Agreement in the form of Exhibit E executed by the SPE and such Lock-Box Bank shall have been delivered to the Administrative Agent.

(e) Deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account cash or cash proceeds other than Collections.

(f) Use any proceeds of the Loans in any manner which would contravene (i) the SPE's limited liability company agreement or limited liability company certificate or (ii) any law or any contractual restriction binding on or affecting the SPE.

## ARTICLE XI

### INDEMNIFICATIONS; INCREASED COSTS

*Section 11.1. Indemnification by SPE of Lenders, etc.* Without limiting any other rights which Lenders, the Servicing Agents, the Administrative Agent and their respective officers, directors, employees, agents and affiliates may have hereunder or under applicable law, the SPE, hereby indemnifies such parties and holds them harmless from and against any and all damages, losses, claims, liabilities and related costs and expenses (including reasonable attorneys' fees and disbursements) (excluding, however, any of the foregoing to the extent resulting from gross negligence or willful misconduct on the part of such indemnified party) incurred by any of them arising out of or resulting from this Second Tier Agreement or the Loan by any Lender of an Interest in Receivables, including, without limitation:

(a) the reliance by the Administrative Agent, any Servicing Agent or any Lender on any representation or warranty made by the SPE (or any of its officers) under or in connection with this Second Tier Agreement or any Loan Document, which was incorrect in any material respect when made;

(b) the failure by the SPE to comply with any covenant set forth in this Second Tier Agreement or any Rate Supplement, whether as SPE, Collection Agent or otherwise;

(c) the failure to timely file financing statements or other similar instruments or documents under the Uniform Commercial Code of any applicable jurisdiction or other applicable laws with respect to any Receivables, whether at the time of a Loan or otherwise;

(d) except as expressly provided herein, the return or transfer by the Collection Agent of any portion of Collections to the SPE or any other person for any reason whatsoever;

(e) any dispute, claim, offset or defense of any Obligor to the payment of any Receivable (including a defense based on such Receivable's or the related contract's not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale, use, operation or ownership of or defects in or breaches of warranties with respect to, the merchandise or services relating to such Receivable or the furnishing or failure to furnish such merchandise or services;

(f) the SPE's failure to pay when due any taxes (including sales, excise or personal property taxes) payable in connection with the Receivables;

(g) the commingling of Collections with other funds of the SPE;

(h) the failure by the SPE to comply in any material respect with any applicable law, rule or regulation with respect to any Receivable, or the nonconformity in any material respect of any Receivable with any such applicable law, rule or regulation;

(i) the failure of any third party to which Collections are remitted to transfer such Collections to the SPE; or

(j) for any reason, the invoices representing previously Unbilled Receivables are less than the amount of such Unbilled Receivables included as Eligible Receivables hereunder.

If and to the extent that the foregoing undertaking may be unenforceable for any reason, the SPE hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section which is permissible under applicable law.

*Section 11.2. Indemnification Due to Failure to Consummate Loan.* The SPE will indemnify each Lender on demand and hold it harmless against all costs (including, without limitation, breakage costs) and expenses resulting from any failure by the SPE (i) to consummate a Loan after a Lender has accepted a request from the SPE to make such Loan or (ii) to fulfill its obligations pursuant to Section 6.2, and each Lender will indemnify the SPE on demand and



hold it harmless against all costs (including, without limitation, breakage costs) and expenses resulting from any failure by such Lender (x) to pay the required purchase price after it has accepted a request for a Loan from the SPE or (y) to fulfill its obligations pursuant to Section 6.2.

*Section 11.3. Notices.* Each Lender agrees to notify the SPE upon its knowledge of a claim for which it intends to seek indemnification under Section 11.1. The SPE agrees to assist the parties indemnified under Section 11.1, to the extent reasonably requested by them, in any action, suit or proceeding brought by or against them in connection with the indemnification granted herein.

## ARTICLE XII

### MISCELLANEOUS

*Section 12.1. Amendments, Etc.* No amendment or waiver of, or consent to the SPE's departure from, any provision of this Second Tier Agreement shall be effective unless it is in writing and signed by the parties hereto and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

*Section 12.2. Notices, Etc.* All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telecopier, telegraphic, telex or cable communication) and sent, as to each party hereto, at its address set forth under its name on the signature pages hereto, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective when sent except that notices and communications to a Lender pursuant to Section 6.2 shall be effective when received by such Lender.

*Section 12.3. Payments Net of Taxes.* All payments by the SPE payable under this Second Tier Agreement or any Rate Supplement shall be made free and clear of, and without deduction for, any present or future income, stamp or other taxes, fees, duties, withholdings or other charges imposed by any taxing authority. If any withholding or deduction from any payment by the SPE is required to be made, then the SPE will:

- (a) pay to the relevant authority the full amount required to be withheld or deducted;
- (b) promptly forward to the applicable Lender an official receipt or other satisfactory documentation evidencing such payment to such authority; and
- (c) pay to the applicable Lender any additional amounts necessary to ensure that the net amount actually received by such Lender will equal the full amount it would have received had no such withholding or deduction been required.

*Section 12.4. No Waiver; Remedies.* No failure on the part of any Lender, any Servicing Agent or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or

under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

*Section 12.5. Binding Effect; Assignability.* This Second Tier Agreement shall be binding upon and inure to the benefit of the SPE, each Lender, each Servicing Agent, the Administrative Agent and their respective successors and assigns, except that the SPE shall not have the right to assign any interest herein without the prior written consent of each Lender. This Second Tier Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Collection Date; *provided, however,* that rights and remedies of either Lender under Article XI and Section 5.3 shall survive any termination of this Second Tier Agreement.

*Section 12.6. Governing Law.* This Second Tier Agreement and the Loan Documents shall be governed by, and construed in accordance with, the laws of the State of Illinois.

*Section 12.7. Construction of the Agreement.* This Second Tier Agreement shall be interpreted to constitute a security agreement and the transactions effected hereby shall be deemed to constitute a secured financing by the Lenders to the SPE under applicable law. For such purpose, the SPE hereby grants to the Administrative Agent for the benefit of the Lender a continuing security interest in the Receivables and Collections to secure the obligations of the SPE to the Lenders hereunder.

*Section 12.8. No Proceedings.* The SPE, the Collection Agent, each Lender, each Servicing Agent and the Administrative Agent each hereby agrees that it will not institute against any Lender any bankruptcy, reorganization, insolvency or similar proceeding until the date which is one year and one day since the last day on which any commercial paper notes or medium term notes issued by such Lender shall have matured.

*Section 12.9. Confidentiality.* Each Lender, each Servicing Agent and the Administrative Agent agree to maintain the confidentiality of any information regarding the SPE obtained in accordance with the terms of this Second Tier Agreement which is not publicly available, but each Lender, each Servicing Agent and the Administrative Agent may reveal such information (a) to applicable rating agencies, and their respective attorneys, accountants, liquidity providers and credit providers, (b) as necessary or appropriate in connection with the administration or enforcement of this Second Tier Agreement or the funding of Loans under this Second Tier Agreement, (c) as required by law, government regulation, court proceeding or subpoena or (d) to bank regulatory agencies and examiners.

*Section 12.10. Execution in Counterparts.* This Second Tier Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Second Tier Agreement to be signed by their duly authorized officers as of the date set forth on the cover page of this Second Tier Agreement.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By: *Charles J. Winger*  
Name: Charles J. Winger  
Title: President

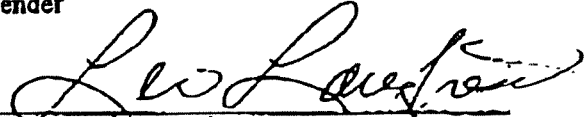
Address:  
221 East Fourth Street  
Suite 2500  
Cincinnati, Ohio 45202  
Attention: Bradley C. Arnett, Esq.  
Telecopy: 513-287-3810

THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By: *Wendy L. Aumiller*  
Name: Wendy L. Aumiller  
Title: Acting Treasurer

Address:  
139 East Fourth Street  
Cincinnati, Ohio 45202  
Attention: Treasury Department  
Telecopy: 513-287-2749

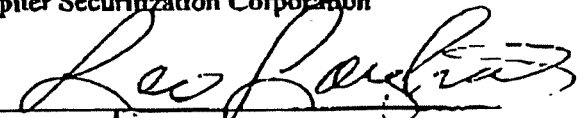
JUPITER SECURITIZATION CORPORATION, as a  
Lender

By:   
Name: LEO LAUGHHEAD  
Title: AUTHORIZED SIGNATORY

Address:

c/o Bank One, NA  
1 Bank One Plaza  
Chicago, Illinois 60670  
Attention: Jupiter Administrator,  
Asset-Backed Finance Division  
Telecopy: (312) 732-1844

BANK ONE, NA, as the Servicing Agent for  
Jupiter Securitization Corporation

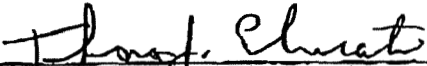
By:   
Name: LEO LAUGHHEAD  
Title: AUTHORIZED SIGNATORY

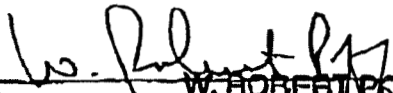
Address:

Asset Backed Finance  
Suite IL1-0596, 21<sup>st</sup> Floor  
Chicago, Illinois 60670-0596  
Attention: Credit Manager  
Telecopy: 312-732-4487

WINDMILL FUNDING CORPORATION, acting  
through the Windmill-Agent, as a Lender

By: ABN AMRO BANK N.V.,  
as the Windmill-Agent

By:   
Name: THOMAS J. EDUCATE  
Title: SENIOR VICE PRESIDENT

By:   
Name: W. ROBERT POFF  
Title: SENIOR VICE PRESIDENT

Address:

c/o Global Securitization Services, LLC  
400 West Main Street, Suite 338  
Babylon, New York 11702  
Attention: Andrew L. Stidd, Vice President  
Telecopy: 212-587-4700

with a copy to:

ABN AMRO Bank N.V.  
Structured Finance, Asset Securitization  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention: Windmill Administrator  
Telecopy: 312-904-6263

**ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation**

By: Thomas J. Edicate  
Name: THOMAS J. EDICATE  
Title: SENIOR VICE PRESIDENT

By: W. Robert Pope  
Name: W. ROBERT POPE  
Title: SENIOR VICE PRESIDENT

**Address:**

135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention: Servicing Agent  
Telecopy: 312-904-6263

**EXHIBIT A**

**SPECIAL CONCENTRATION LIMITS**

OBLIGOR	LIMIT
Dayton Power & Light Co.	\$15,000,000
Columbus Southern Power Co.	\$10,000,000
Indiana Municipal Power Agency	\$15,000,000

**EXHIBIT B**

**FORM OF NOTICE FOR INITIAL AND INCREMENTAL LOANS**

**[Name and Address of Applicable Lender]**

**[Name and Address of Applicable Servicing Agent]**

ABN AMRO Bank N.V.,  
as Administrative Agent  
425 Lexington Avenue  
7th Floor  
New York, New York 10017  
Attention: Asset Securitization Group

*Old 145017  
Mary  
1/17*

Re: Receivables Loan Agreement  
dated as of February 14, 2002  
among, Cinergy Receivables Company LLC  
(the "SPE"), Jupiter Securitization Corporation ("JSC"),  
as a Lender, Windmill Funding Corporation ("Windmill"), as a Lender,  
Bank One, NA ("Bank One"), as the Servicing Agent  
for JSC, ABN AMRO Bank N.V. ("ABN AMRO"), as the Servicing Agent  
for Windmill and as the Administrative Agent (the "Agreement")

Gentlemen:

This Notice is delivered to you pursuant to Section 6.2(a) of the Agreement. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used herein will have the respective meanings assigned to them in the Agreement.

The SPE hereby request that [the Initial] [an Incremental] Loan be made by [the applicable Lender] on \_\_\_\_\_, 20\_\_ in the amount of \$\_\_\_\_\_.

The SPE hereby certifies and warrants that on the date on which the Loan requested hereby is made (and the SPE, by accepting the payment of the purchase price relating to such Loan, will be deemed to have certified that), (i) the representations and warranties of the SPE contained in Article IX of the Agreement are correct on and as of the date of such Loan as though made on and as of such date and (ii) the SPE is in compliance with the covenants set forth in the Agreement.

The SPE agrees that if, prior to the time that the Loan requested hereby is made, any matter certified to herein will not be true and correct at such time as if then made, it will immediately so notify [the applicable Lender] and [the applicable Servicing Agent].



Please wire transfer the proceeds of the requested Loan to the account(s) of the following persons at the bank(s) indicated below, respectively:

<i>Amount to Be Transferred</i>	<i>Person to Be Paid</i>		<i>Name, Address, Etc. of Transferee Bank</i>
	<i>Name</i>	<i>Account No.</i>	
\$ _____	_____	_____	_____ _____ _____
			Attention: _____

The undersigned has caused this notice to be executed and delivered, and the certifications and warranties contained herein to be made, by its duly authorized officer this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE CINCINNATI GAS & ELECTRIC COMPANY,  
individually and as agent for CINERGY  
RECEIVABLES COMPANY LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C-1**

**FORM OF NOTICE OF ELECTION  
NOT TO MAKE REINVESTMENT LOANS**

[For Notice Given by SPEs:]

Jupiter Securitization Corporation,  
as a Lender  
c/o Bank One, NA  
1 Bank One Plaza  
Chicago, Illinois 60670  
Attention: Jupiter Administrator,  
Asset-Backed Finance Division

Bank One, NA,  
as a Servicing Agent  
Asset Backed Finance  
Suite IL1-0596, 21<sup>st</sup> Floor  
Chicago, Illinois 60670-0596  
Attention: Credit Manager

Windmill Funding Corporation,  
as a Lender  
c/o Global Securitization Services, LLC  
400 West Main Street, Suite 338  
Babylon, New York 11702  
Attention: Andrew L. Stidd, Vice President

ABN AMRO Bank N.V.,  
as a Servicing Agent and  
as Administrative Agent  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention:

[For Notice Given by a Lender:]

The Cincinnati Gas & Electric Company,  
individually and as agent for  
Cinergy Receivables Company LLC  
139 East Fourth Street  
Cincinnati, Ohio 45202  
Attention:

EXHIBIT C-2

FORM OF NOTICE OF PAYMENT TO REDUCE LOAN

[Name of Applicable Lender]  
[Address]

Re: Receivables Loan Agreement  
dated as of February 14, 2002  
among, Cinergy Receivables Company LLC  
(the "SPE"), Jupiter Securitization Corporation ("JSC"),  
as a Lender, Windmill Funding Corporation ("Windmill"), as a Lender,  
Bank One, NA ("Bank One"), as the Servicing Agent  
for JSC, ABN AMRO Bank N.V. ("ABN AMRO"), as the Servicing Agent  
for Windmill and as the Administrative Agent (the "Agreement")

Gentlemen:

This notice is delivered to you pursuant to Section 6.2(c) of the Agreement. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used herein will have the respective meanings assigned to them in the Agreement.

The undersigned hereby notifies you that, pursuant to Section 6.2(c) of the Agreement, the SPE desire to reduce the dollar amount of [the applicable Lender's Loan Amount] by paying the sum of \$\_\_\_\_\_ directly to you. This payment will be made on the Settlement Date of \_\_\_\_\_, 20\_\_.

This notice has been executed and delivered by a duly authorized officer of the undersigned this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CINERGY RECEIVABLES COMPANY LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[Name and Address of other Lender]

[Name and Address of other Servicing Agent]

Re: Receivables Loan Agreement  
dated as of February 14, 2002  
among, Cinergy Receivables Company LLC  
(the "SPE"), Jupiter Securitization Corporation ("JSC"),  
as a Lender, Windmill Funding Corporation ("Windmill"), as a Lender,  
Bank One, NA ("Bank One"), as the Servicing Agent  
for JSC, ABN AMRO Bank N.V. ("ABN AMRO"), as the Servicing Agent  
for Windmill and as the Administrative Agent (the "Agreement")

Gentlemen:

This notice is delivered to you pursuant to Section 6.2(b) of the Agreement. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used herein will have the respective meanings assigned to them in the Agreement.

The undersigned hereby notifies you that it has elected not to apply Collections toward the making of Reinvestment Loans by [the applicable Lender] commencing on \_\_\_\_\_, 20\_\_. The amount to which the Loan of [the applicable Lender] shall be reduced before Reinvestment Loans by [the applicable Lender] will resume is \$\_\_\_\_\_.

This notice has been executed and delivered by a duly authorized officer of the undersigned this day of \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CINERGY RECEIVABLES COMPANY LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

or

[APPLICABLE LENDER],  
as a Lender

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT D**

**FORM OF NOTICE TO LOCK-BOX BANK**

\_\_\_\_\_, 20\_\_  
[Name of Lock-Box Bank]  
[Address]

Gentlemen:

Pursuant to that certain letter agreement among us, dated \_\_\_\_\_, 2002 (the "Agreement"), we hereby notify you that Cinergy Receivables Company LLC ("SPE") has transferred exclusive ownership and control of their lock-box account nos. \_\_\_\_\_ maintained with you (the "Lock-Box Accounts") to ABN AMRO Bank N.V., as administrative agent (the "Administrative Agent") under the Receivables Loan Agreement described in the Agreement.

Attached hereto is an incumbency certificate establishing that the person signing below on behalf of the Administrative Agent is duly authorized, and indicating the names of other officers of the Administrative Agent who are authorized, to give you instructions pursuant to the Agreement.

By signing the Agreement, SPE has agreed that, pursuant to the terms of the Agreement, the Administrative Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lock-Box Accounts, including, without limitation, the right to specify when payments are to be made out of or in connection with the Lock-Box Accounts.

Very truly yours,

ABN AMRO BANK N.V., as Administrative  
Agent

By \_\_\_\_\_  
Authorized Signatory

Address:

135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603

Attention: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

EXHIBIT E

FORM OF LOCK-BOX AGREEMENT

\_\_\_\_\_, 20\_\_

[Name and Address of Lock-Box Bank]

Gentlemen:

We refer to lock-box account nos. \_\_\_\_\_ maintained with you (the "Lock-Box Accounts") by Cinergy Receivables Company LLC (the "SPE"). We have entered into certain agreements with Jupiter Securitization Corporation ("JSC"), Windmill Funding Corporation ("Windmill") and ABN AMRO Bank N.V. ("ABN AMRO") and Bank One, NA ("Bank One") which require the execution and delivery of this agreement by you.

By signing this agreement, you agree that on and after delivery to you of a letter in the form of Attachment A hereto (the "Letter"), the Lock-Box Accounts shall, on the terms provided herein, be maintained by you for the benefit of, and the amounts from time to time therein held by you as agent for ABN AMRO, as administrative agent (the "Administrative Agent") under the Receivables Loan Agreement dated February 14, 2002 among the SPE, Cincinnati Gas & Electric Company, as Collection Agent (the "Collection Agent"), JSC, Windmill, ABN AMRO and Bank One and under the Receivables Loan Agreement dated February 14, 2002, among the SPE, the Collection Agent, Bank One and ABN AMRO. Until the time of delivery of the Letter, the Lock-Box Accounts are to be processed in accordance with the standard procedures currently in effect. All customary service charges and fees with respect to the Lock-Box Accounts shall be payable by the Cinergy Entities as currently arranged or, after delivery of the Letter to you, by debit to the Lock-Box Accounts as described below.

Upon delivery to you of the Letter, the Lock-Box Accounts shall be under the sole dominion and control of the Administrative Agent and all instructions thereafter regarding the Lock-Box Accounts shall be delivered only by the Administrative Agent.

Instructions from the Administrative Agent may include, but shall not be limited to:

- (a) Notice of the establishment of a concentration account into which all moneys collected in the Lock-Box Accounts shall thereafter be transferred. Such transfers will be in accordance with your availability of funds procedures applicable to the Cinergy Entities and will encompass all collected deposits less any deductions for returned items. Transfers between the Lock-Box Accounts and the concentration account may be carried out using either Fed wire transfers or ACH (Automated Clearing House) entries.

(b) A requirement that duplicate monthly bank statements for the Lock-Box Accounts and the concentration account be mailed directly to an address specified by Administrative Agent.

By signing this agreement, you agree that you shall not make any charges or debits to the Lock-Box Accounts, or exercise any right of set-off or banker's lien with respect thereto except as provided herein. The SPE and the Administrative Agent agree that you may debit the Lock-Box Accounts for any items deposited in the Lock-Box Accounts which may be returned or otherwise not collected, and, after delivery to you of the Letter, for your standard and customary fees in connection with the maintenance of the Lock-Box Accounts.

Any notice provided for in this agreement may be personally delivered, sent by facsimile or U.S. mail, certified return receipt requested, to the address or facsimile number set forth under the signature to this agreement of the party to be notified (or to such other address or facsimile number as shall be designated in writing by such party to all other parties to this agreement). All notices shall be effective upon receipt. Notice from the Administrative Agent will be signed by an authorized signatory thereof as confirmed in the incumbency certificate sent to you together with the Letter.

You may terminate this agreement only upon thirty days' prior written notice to that effect to the Administrative Agent. After such termination, incoming mail addressed to any closed lock-boxes shall be forwarded in accordance with the Administrative Agent's instructions. This agreement may also be terminated upon written notice to you by the Administrative Agent. Except as otherwise provided in this paragraph, this agreement may not be terminated or amended without the prior written consent of the Administrative Agent.



This agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties hereto, but it may not be assigned in whole or in part by the SPE or you without the prior written consent of the other parties.

Very truly yours,

CINERGY RECEIVABLES COMPANY LLC

By: \_\_\_\_\_

Title:

Address:

221 East Fourth Street

Suite 2500

Cincinnati, Ohio 45202

Attention: Bradley C. Arnett, Esq.

Telecopy: 513-287-3810

PSI ENERGY, INC.

By: \_\_\_\_\_

Title:

Address:

139 East Fourth Street

Cincinnati, Ohio 45202

Attention: Treasury Department

Telecopy: 513-287-2749

THE UNION LIGHT, HEAT AND POWER COMPANY

By: \_\_\_\_\_

Title:

Address:

139 East Fourth Street

Cincinnati, Ohio 45202

Attention: Treasury Department

Telecopy: 513-287-2749

Agreed to:

ABN AMRO BANK N.V., as Administrative  
Agent

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address:

135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention: Thomas Educate  
Telecopy: 312-904-4028

[LOCK-BOX BANK]

By: \_\_\_\_\_

Title:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Telecopy: \_\_\_\_\_

**ATTACHMENT A  
TO FORM OF LOCK-BOX AGREEMENT**

**FORM OF NOTICE TO LOCK-BOX BANK**

\_\_\_\_\_, 20\_\_

[Name of Lock-Box Bank]  
[Address]

Gentlemen:

Pursuant to that certain letter agreement among us, dated \_\_\_\_\_, 2002 (the "*Agreement*"), we hereby notify you that Cinergy Receivables Company LLC ("*SPE*") has transferred exclusive ownership and control of their lock-box account nos. \_\_\_\_\_ maintained with you (the "*Lock-Box Accounts*") to ABN AMRO Bank N.V., as administrative agent (the "*Administrative Agent*") under the Receivables Loan Agreements described in the Agreement.

Attached hereto is an incumbency certificate establishing that the person signing below on behalf of the Administrative Agent is duly authorized, and indicating the names of other officers of the Administrative Agent who are authorized, to give you instructions pursuant to the Agreement.

By signing the Agreement, SPE has agreed that, pursuant to the terms of the Agreement, the Administrative Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lock-Box Accounts, including, without limitation, the right to specify when payments are to be made out of or in connection with the Lock-Box Accounts.

Very truly yours,

ABN AMRO BANK N.V., as Administrative  
Agent

By: \_\_\_\_\_  
Authorized Signatory

Address:  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603

**EXHIBIT F**

**FORM OF RECEIVABLES ACTIVITY REPORT**

**EXHIBIT H**

**LIST OF LOCK-BOX ACCOUNTS**

Fifth Third Bank  
P.O. Box 740263  
Cincinnati, OH 45274-0263  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740444  
Cincinnati, OH 45274-0444  
Account name: Cincinnati Gas &  
Electric Company  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 740282  
Cincinnati, OH 45274-0282  
Account name: The Union Light,  
Heat & Power Company  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631610  
Cincinnati, OH 45263-1610  
Account name: Cincinnati Gas & Electric Co.  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 631611  
Cincinnati, OH 45263-1611  
Account name: Union Light, Heat & Power Co.  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631612  
Cincinnati, OH 45263-1612  
Account name: PSI Energy  
Account number: 726-56113

Bank One, NA  
P.O. Box 663687  
Indianapolis, IN 46266-3687  
Account name: Cinergy/PSI  
Account number: 192601276

**EXHIBIT I**

**LOCATIONS OF RECORDS AND CHIEF EXECUTIVE OFFICES**

SPE

1. Location of Chief Executive Office:

221 East Fourth Street  
Suite 2500  
Cincinnati, Ohio 45202

2. Location of Book and Records:

221 East Fourth Street  
Suite 2500  
Cincinnati, Ohio 45202



ANNEX I

"*ABN AMRO*" is defined in the recitals section of the Second Tier Agreement.

"*Administrative Agent*" means ABN AMRO Bank, N.V., as servicing agent under the Second Tier Agreement.

"*Affiliate*" means, when used with respect to any Person, any other Person controlling or controlled by or under common control with such Person. As used in this definition, "control" (including its correlative meanings "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities by contract or otherwise.

"*Affiliated Obligor*" means an Obligor that is an Affiliate of an Originator or the SPE or that is an entity that would be accounted for by an Originator, the SPE or any Affiliate of an Originator or the SPE under the equity method of accounting under U.S. generally accepted accounting principles.

"*Aggregate Loan Amount*" means the aggregate Loan Amount of all Lenders.

"*Agreement Balance Receivable*" means a Receivable arising under an Obligor's account which is subject to a deferred arrangement payment plan of the applicable Originator.

"*Agreement Date*" means the date on which each of the Purchase Agreement, the Second Tier Agreement and the Back-Stop Agreement are executed by the parties thereto.

"*AI*" is defined in Section 3.1 of the Second Tier Agreement.

"*Available Funds*" is defined in Section 2.3(b) of the Purchase Agreement.

"*Average Maturity*" means, on any day, that period (expressed in days) equal to the weighted average maturity of the Receivables, as calculated by the Collection Agent consistently with the method in effect as of the date of the Purchase Agreement (or such other method as may be approved by each Lender in its discretion) as set forth in the most recent Receivables Activity Report.

"*Back-Stop Agreement*" means the Receivables Loan Agreement dated as of the date hereof among the Originators, Bank One, as a Committed Lender, ABN AMRO, as a Committed Lender and as the Administrative Agent.

"*Bank One*" is defined in the recitals section of the Second Tier Agreement.

"*Board of Directors*" is referred to in Section 6.3.5(a) of the Second Tier Agreement.

"*Business Day*" means any day on which banks are not authorized or required to close in New York City or Chicago.

"*Carrying Costs*" with respect to each Lender, shall have the meaning assigned to such term in such Lender's Rate Supplement.

"*CG&E*" is defined in Section 8.3 of the Second Tier Agreement.

"*Claims*" is defined in Section 7.1 of the Purchase Agreement.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Collection*" means any amount paid by an Obligor or any other party with respect to a Receivable, including (without limitation) any security deposit held by an Originator and applied to any outstanding Receivable.

"*Collection Agent*" means the Cincinnati Gas & Electric Company or any replacement thereof under either Section 3.1.1 of the Purchase Agreement or Section 8.3.1 of the Second Tier Agreement, solely in its capacity as such.

"*Collection Agent Fee*" means, for any Settlement Date the fee payable solely out of Collections to the Collection Agent on such Settlement Date, and shall be an amount equal to the following:

$$0.05\% \times RG$$

where:  $RG =$  Receivables generated during the Settlement Period preceding such Settlement Date

"*Collection Date*" means the date on which the Lenders have received the amounts set forth below and after which no further Loans are to be made:

- (1) the Aggregate Loan Amount;
- (2) as further provided in Section 7.2.2(b)(i) of the Second Tier Agreement, the accrued and unpaid portion of the Carrying Costs payable to each Lender; and
- (3) all other amounts payable to the Lenders under the Second Tier Agreement and each Lender's Rate Supplement.

"*Default Ratio*" means, as of any date of determination, a fraction, expressed as a percentage, the numerator of which is the sum, without duplication, of (i) the aggregate outstanding balance of all Receivables that have been or, to the best of the SPE's knowledge, should have been charged-off during the month most recently completed and (ii) the aggregate outstanding balance of all Receivables that were unpaid for more than 90 days past the applicable invoice date as of the end of the month most recently completed, and the denominator

of which is the aggregate outstanding balance of all Receivables (excluding Unbilled Receivables) on the last Business Day of the month most recently completed.

*"Defaulted Receivable"* means any Receivable which:

- (1) has been or should have been charged-off in conformity with the applicable Originator's standard credit and collection practices and policies; or
- (2) is owed by an Obligor who is in bankruptcy, reorganization, insolvency or similar proceedings.

*"Eligible Receivable"* means any Receivable:

- (1) which is not unpaid for more than 90 days past the applicable invoice date;
- (2) which, unless it is an Agreement Balance Receivable, is (or in the case of an Unbilled Receivable, will be) required to be paid in full within 30 days of the billing date;
- (3) which is (or in the case of an Unbilled Receivable, will be) payable only in U. S. dollars;
- (4) which, to the best of the SPE's knowledge, is not a Defaulted Receivable;
- (5) the Obligor of which is a U.S. resident, is a residential, commercial, industrial or governmental (including any municipality) customer of the applicable Originator or a partner in a facility managed by such applicable Originator;
- (6) which, if the related Obligor is a partner in a facility managed by an applicable Originator, is not subject to any dispute, claim, defense or offset and, with respect to any other Receivable, is not to the best of the SPE's knowledge subject to any dispute, claim, defense or offset;
- (7) which arises out of a "current transaction" as defined in Section 3(a)(3) of the Securities Act of 1933, as amended;
- (8) which is an "account" or a "general intangible" within the meaning of the Uniform Commercial Code of the State in which is located the applicable Originator's jurisdiction of organization;
- (9) which arose from a bona fide sale of merchandise or insurance or the rendering of services (including a receivable of CG&E which arose from the joint ownership arrangements between and/or among CG&E, Dayton Power & Light Co. and/or Columbus Southern Power Co. relating to certain jointly owned generating stations) accepted by the Obligor of that Receivable;

(10) that is the legal, valid and binding payment obligation of the Obligor thereon;

(11) that represents the sales price of merchandise, insurance or services, within the meaning of Section 3(c)(5) of the Investment Company Act of 1940, as amended;

(12) which does not contravene any applicable law, rule or regulation in any material respect;

(13) which is not subject to any restrictions on the transfer, assignability or sale thereof;

(14) which satisfies all applicable credit and collection policies of the applicable Originator;

(15) which was generated in the ordinary course of business of an Originator; and

(16) which, if it is an Agreement Balance Receivable, the outstanding principal balance of which, when added to the aggregate outstanding principal balance of all other Agreement Balance Receivables, does not exceed 7% the aggregate outstanding balance of all Eligible Receivables.

*"ER"* is defined in Section 3.1 of the Second Tier Agreement.

*"ERISA"* means the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder, as amended from time to time.

*"ERISA Affiliate"* means any trade or business (whether or not incorporated) that is treated as a single employer with the SPE under Section 414 of the Code.

*"Event of Termination"* is defined in Section 12.1 of the Back-Stop Agreement.

*"Excluded Losses"* is defined in Section 7.1 of the Purchase Agreement.

*"Exhibits"* is defined in Section 1.2 of the Purchase Agreement.

*"Financing Statements"* is referred to in Section 6.3.8 of the Second Tier Agreement.

*"Incremental Loan"* means any Loan (other than an Initial Loan) which causes the amount of the Loan Amount of any Lender to increase.

*"Indemnified Parties"* is defined in Section 7.1 of the Purchase Agreement.

*"Initial Funding Date"* means the first Business Day after the Agreement Date.

*"Initial Loan"* means, with respect to any Lender, the first Loan by such Lender under this Second Tier Agreement.

*"Interest"* means, at any time, the undivided percentage security interest of the Lenders in the Receivables and related Collections as described in Section 3.1(a).

*"JSC"* is defined in the recitals section of the Second Tier Agreement.

*"Lenders"* means Jupiter Securitization Corporation and Windmill Funding Corporation.

*"Loan"* means any advance of funds by a Lender to the SPE under the Second Tier Agreement, and includes any Initial Loan, any Incremental Loan and any Reinvestment Loan.

*"Loan Amount"* means, for each Lender, the sum (without duplication) of:

(1) the aggregate amount of cash paid by such Lender to the SPE for an Initial Loan and all Incremental Loans, less the amount of all Collections received and applied with respect to such Lender pursuant to Sections 6.2(b) and 7.2.2(b)(iii)(A) and of all payments made by the SPE and applied with respect to such Lender under Sections 3.3, 6.2(c) and 7.3; and

(2) any amounts owed by the SPE to such Lender under Article XI.

*"Loan Documents"* means the Second Tier Agreement, all Exhibits and the Annex thereto to which the SPE is a party, the Rate Supplements, the Subordinated Notes, the Purchase Agreement and all other certificates, agreements and documents executed from time to time by the SPE in connection with the transactions contemplated of the Second Tier Agreement.

*"Loan Percentage"* means, with respect to each Lender at any time, such Lender's undivided percentage interest in the Interest at such time and shall be calculated as a fraction (expressed as a percentage) having as a numerator such Lender's Loan Amount at such time, and, as a denominator, the Aggregate Loan Amount at such time.

*"Lock-Box"* means any lock-box(es) or account(s) to which the Obligors remit Collections.

*"Lock-Box Accounts"* means any institution at which a Lock-Box Account is kept.

*"Lock-Box Agreement"* is defined in Section 6.3.3. of the Second Tier Agreement.

*"Lock-Box Bank"* means any institution at which a Lock-Box is kept.

*"Maximum Aggregate Loan Amount"* means \$400,000,000.

*"Maximum Loan Amount,"* with respect to each Lender, shall be the maximum amount Loan Amount such Lender may have outstanding hereunder at any time as set forth in such Rate Supplement.

*"Maximum Interest"* means 100%.

*"Members"* is referred to in Section 6.3.5(a) of the Second Tier Agreement.

*"Obligor"* means any corporation, partnership, person or any other party which is obligated to make payment on a Receivable.

*"Originator"* - is defined in the introductory paragraph of the Purchase Agreement.

*"Originators"* means The Cincinnati Gas & Electric Company, PSI Energy, Inc. and the Union Light, Heat and Power Company.

*"Outstanding Balance"* means, with respect to a Receivable at any time, the outstanding principal balance thereof.

*"Parent"* means Cinergy Corp.

*"PBGC"* means the Pension Benefit Guaranty Corporation and any successor thereto.

*"Person"* means any individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated organization or a government or any department or agency or instrumentality thereof.

*"PIPP Receivable"* means a receivable generated under the "Percentage of Income Payment Plan."

*"Plan"* means each employee benefit plan (as defined in Section 3(3) of ERISA) currently sponsored, maintained or contributed to by the SPE or any ERISA Affiliate or with respect to which the SPE or any ERISA Affiliate has any liability.

*"Prime Rate"* is defined in Section 5.3 of the Second Tier Agreement.

*"PSI"* - is defined in the introductory paragraph of the Purchase Agreement.

*"Purchase Agreement"* means the Purchase and Sale Agreement dated as of the date hereof between the SPE and the Originators.

*"Purchase Facility"* is defined in Section 2.1 of the Purchase Agreement.

*"Purchase Price"* means, with respect to each Purchase under the Purchase Agreement, the product obtained by multiplying (a) the Receivables originated during the calendar month by (b) one minus the Required Discount calculated as of the penultimate month-end preceding that

calendar month. Notwithstanding the discussion in (b), for purposes of the Required Discount calculation, the Prime Rate used shall be as of the month-end immediately preceding the calendar month.

"R" is defined in Section 3.1 of the Second Tier Agreement.

"Ratable Share" is defined in Section 8.1.5 of the Second Tier Agreement.

"Rate Supplement," with respect to each Lender, means an agreement between the SPE and such Lender, setting forth, among other things, the Maximum Loan Amount for such Lender, the methods of calculating the interest accruing on such Lender's Loan Amount and certain fees payable to such Lender in connection with this Second Tier Agreement, as any such agreement may be amended, restated, modified or supplemented from time to time.

"Receivable" means the obligation of an Obligor (other than an Affiliated Obligor) to pay an Originator for merchandise sold or services rendered by an Originator in a retail transaction, and includes the rights of the applicable Originator to payment of any interest or finance charges, and in the contracts relating to such Receivable, all security interests, guaranties and property securing or supporting payment of such Receivable, all books and records relating to the Receivable and all proceeds of the foregoing, but "Receivable" shall not include any obligation of an Obligor to pay for merchandise sold or services rendered on a wholesale basis by an Originator. A "retail transaction" is one (i) (a) in which the merchandise sold or the services rendered are sold or rendered to a residential, commercial, industrial, public street and highway lighting, or public authority customer or successor type of customer to the aforementioned customer, or in which Dayton Power and Light, or its successor or Columbus Southern Power, or (b) which resulted in a receivable of CG&E which arose from the joint ownership arrangements between and/or among CG&E, Dayton Power & Light Co. and/or Columbus Southern Power Co. relating to certain jointly owned generating stations), and (ii) which does not result in the customer being obliged to pay for such merchandise or services under a Percentage of Increase Payment Plan.

"Receivables Activity Report" means the report in the form of Exhibit F to the Second Tier Agreement to be provided by the Collection Agent in accordance with Section 7.4 of the Second Tier Agreement.

"Reinvestment Loan" means any Loan made with Collections as described in Section 6.2(b) of the Second Tier Agreement.

"Related Rights" is defined in Section 2.1 of the Purchase Agreement.

"Required Discount" means, as measured each month end other than the initial purchase on the Agreement Date, an amount for each Originator which is equal to:

$$1 \text{ minus } \frac{(1-B+L-C)}{1+(D \times T)}$$

- where:
- B = the three year weighted average net charge-off percentage, which is calculated as 12 months of net charge-offs divided by 9 month lagging 12 months of billings for PSI and ULH&P, and for CG&E is 0.55%. "Net Charge-offs" is charge-offs less collections. The most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%.
  - L = the three year weighted average late charges percentage, which is calculated as 12 months of late charges received divided by 12 months of billings for PSI and ULH&P, and for CG&E is 0.46%. The most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%.
  - C = collection fee is .25%
  - D = Prime Rate plus .25%
  - T = the three year weighted average turnover rate, which is calculated as (i) the month-end balance of Receivables divided (ii) by that month's originated Receivables times 12. That percentage is calculated for the most recent 36 months and averaged over that period, with the most recent year weighted 50%, the year prior weighted 33.3%, and the oldest year weighted 16.67%.

For purposes of the initial purchase of receivables on the Agreement Date, discounts of 4.50%, 1.35%, and 2.30% shall be used for CG&E, PSI and ULH&P, respectively.

"Reserve" means, as of any date, an amount equal to the Aggregate Loan Amount on such date multiplied by the greater of (a) 10% and (b) a fraction, the numerator of which equals the sum of the items set forth below (each expressed as a percentage), and the denominator of which equals 100% minus such sum:

(1) the Standard Concentration Limit as of such date divided by the Aggregate Loan Amount as of such date;

(2) the product of (a) 1.5 and (b) the highest monthly ratio for any of the 12 months preceding such date of (i) the sum of (A) the aggregate outstanding principal balance of Receivables which, as at the end of such month, were unpaid for more than 150 days past the applicable invoice date and (B) the aggregate outstanding principal balance of Receivables which have been charged-off during such month in conformity with the applicable Originator's standard credit and collection practices and policies to (ii) the outstanding principal balance of Receivables (excluding Unbilled Receivables) as at the end of such month; *provided*, that, prior to August 1, 1996, the amount described in



clause (i)(A) above shall be equal to 50% of the aggregate outstanding principal balance of Receivables which, as at the end of such month, were unpaid for more than 90 days past the applicable invoice date;

(3) 1%;

(4) the product of (a) the sum of (i) the average 30-day composite commercial paper rate for "AA"-rated issuers, as released in Release H-15 of the Board of Governors of the Federal Reserve System for each Business Day during the most recently completed full calendar month preceding such date, (ii) 4.0% and (iii) 0.25% and (b) 141/360; and

(5) and 5% unless dilution information delivered in a form satisfactory to both Servicing Agents subsequent to closing, or, unless otherwise agreed by both Servicing Agents.

"SEC" means the Securities and Exchange Commission and any successor thereto.

"Second Tier Agreement" means the Receivables Loan Agreement, dated as of the date of the Purchase Agreement among SPE, CG&E, as Collection Agent, Windmill Funding Corporation, as a Lender, Jupiter Securitization Corporation, as a Lender, Bank One NA, as a Servicing Agent and ABN AMRO Bank N.V., as a Servicing Agent and as the Administrative Agent, as such agreement may be amended or modified from time to time.

"Servicing Agents" means Bank One NA and ABN AMRO Bank N.V., as the servicing agents under the Second Tier Agreement.

"Settlement Date" means any date, as described in Section 7.1 of the Second Tier Agreement, on which the Collection Agent is required to remit specified payments to the SPE and the Lenders.

"Settlement Period" means (i) for purposes of the Purchase Agreement, the period from (and including) a Settlement Date (or, in the case of the initial Settlement Period under such Agreement, from the date of the first Loan under such Agreement) to (but excluding) the immediately succeeding Settlement Date; and (ii) for purposes of the Second Tier Agreement, a calendar month (or, in the case of the first Settlement Period, the period from the Initial Funding Date to the end of the next succeeding calendar month following the calendar month in which the Initial Funding Date occurs).

"Sold Property" is defined in Section 2.1 of the Purchase Agreement.

"SPE" shall have the meaning ascribed to it in the first paragraph of the Second Tier Agreement.

"Special Concentration Limit" means, with respect to any Obligor listed on Exhibit A (together with its affiliates and subsidiaries), the amount indicated opposite the name of such Obligor; provided, that (i) the Special Concentration Limit for any such Obligor may be reduced

by any Lender, in its discretion based upon a good faith determination by such Lender, following consultation with the Collection Agent, that there has been an adverse change in the credit of such Obligor, by sending written notice thereof to the Administrative Agent and the SPE, (ii) the Special Concentration Limit for any such Obligor may be increased by the Administrative Agent with the prior consent of each Lender (given by each Lender in its discretion), and (iii) additional names of Obligors may be added to Exhibit A with the prior consent of each Lender (given by each Lender in its discretion), through the delivery by the Administrative Agent to the SPE of an amended Exhibit A.

*"Standard Concentration Limit"* means, with respect to all of the Receivables owing from a single Obligor (except for an Obligor listed on Exhibit A), together with Receivables owing from its affiliates or subsidiaries, an amount equal to 2.0% of the Aggregate Loan Amount; *provided*, that (i) the Standard Concentration Limit for any such Obligor may be reduced by any Lender, in its discretion based upon a good faith determination by such Lender, following consultation with the Collection Agent, that there has been an adverse change in the credit of such Obligor, by sending written notice thereof to the Administrative Agent and the SPE, and (ii) the Standard Concentration Limit for any such Obligor may be increased by the Administrative Agent with the prior consent of each Lender (given by each Lender in its discretion), through the delivery of a notice by the Administrative Agent to the SPE.

*"Subordinated Note"* means each revolving promissory note issued by the SPE to an Originator under the Purchase Agreement.

*"Termination Date"* means the dates set forth in Section 6 of the Purchase Agreement.

*"Termination Event"* means any one of the events set forth in Section 3.1.1 of the Purchase Agreement.

*"Termination Statements"* is referred to in Section 6.3.8 of the Second Tier Agreement.

*"Turnover Rate"* means, in any calendar month, an amount computed as of the last day of such calendar month equal to: (a) the Outstanding Balance of all Receivables as of the last day of such calendar month divided by (b)(i) the aggregate credit sales made by all Originators during the three (3) calendar months ended on or before the last day of such calendar month divided by (ii) 3.

*"UCC"* means, for any state, the Uniform Commercial Code as in effect in such state.

*"ULH&P"* - is defined in the introductory paragraph of the Purchase Agreement.

*"Unbilled Receivable"* means a Receivable with represents the estimated billing value of completed service provided by the applicable Originator which has not yet been invoiced to the applicable Obligor.

*"Unbilled Receivables Reduction Amount"* means, on any date, an amount equal to the product of (i) the aggregate outstanding balance of all Unbilled Receivables on such date and

(ii) a fraction, expressed as a percentage, the numerator of which is equal to the aggregate outstanding balance of all PIPP Receivables which represent current billings on such date, and the denominator of which is equal to the aggregate outstanding balance of all Receivables (excluding Unbilled Receivables) which represent current billings on such date.

*"Windmill"* is defined in the recitals section of the Second Tier Agreement.

*"Windmill Agent"* is defined in Section 8.2.2 of the Second Tier Agreement.

*"Windmill Transfer Agreement"* means that certain Amended and Restated Windmill Transfer Agreement dated as of February 14, 2002, among ABN AMRO, as the Windmill-Agent, ABN AMRO, as Windmill's letter of credit provider, ABN AMRO, as a liquidity provider, the other parties who become liquidity providers and Windmill. At the time the Servicing Agent for Windmill delivers a signature page hereto, it shall deliver a true and correct copy of the Windmill Transfer Agreement to the other parties hereto.

**AMENDMENT**  
**Dated as of December 10, 2002**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**

THIS AMENDMENT (the "*Amendment*"), dated as of December 10, 2002, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Jupiter Securitization Corporation ("*JSC*"), Windmill Funding Corporation ("*Windmill*") (JSC and Windmill individually as a "*Lender*" and, collectively, as the "*Lenders*"), Bank One, NA ("*Bank One*"), as the servicing agent for JSC and ABN AMRO Bank N.V. ("*ABN AMRO*"), as the servicing agent for Windmill (individually a "*Servicing Agent*" and collectively, the "*Servicing Agent*") and ABN AMRO Bank N.V., as administrative agent for the Lender (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Lenders, the Servicing Agents and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

(a) Clause (5) of the defined term "*Reserve*" appearing in Annex I of the Loan Agreement is hereby amended and as so amended shall read as follows:

“(5) and 2% unless otherwise agreed by both Servicing Agents.”

(b) The following sentence is hereby added at the end of Section 12.8:

“The provisions of this Section 12.8 shall survive termination of the Loan Agreement.”

*Section 2.* Section 1 of this Amendment shall become effective only once the Agent has received, in form and substance satisfactory to the Agent, all documents and certificates as the Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Agent.

*Section 3.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 4.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

*Section 5.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By: Bradley C Amott  
Title: Secretary

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By: R. Fode  
Executive Vice President and  
Title: Chief Financial Officer


JUPITER SECURITIZATION CORPORATION, as a  
Lender

By:   
Title: Authorized Signer

BANK ONE, NA, as the Servicing Agent for  
Jupiter Securitization Corporation

By:   
Title: Director, Capital Markets

WINDMILL FUNDING CORPORATION, as acting  
through the Windmill-Agent, as a Lender

By:   
Title: Andrew L. Stidd  
**President**

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By: \_\_\_\_\_  
Title: \_\_\_\_\_

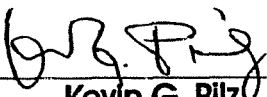
By: \_\_\_\_\_  
Title: \_\_\_\_\_

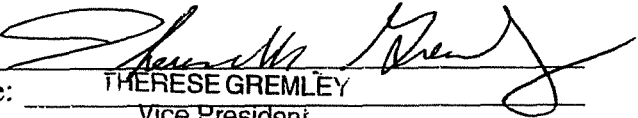


WINDMILL FUNDING CORPORATION, as acting  
through the Windmill-Agent, as a Lender

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By:  \_\_\_\_\_  
Title: **Kevin G. Pilz**  
Vice President

By:  \_\_\_\_\_  
Title: **THERESE GREMLEY**  
Vice President

## SECOND AMENDMENT TO RECEIVABLES LOAN AGREEMENT

**THIS AMENDMENT** (this "**Amendment**"), dated as of February 13, 2003, is entered into by and among Cinergy Receivables Company LLC, a Delaware limited liability company (the "**SPE**"), The Cincinnati Gas & Electric Company, (the "**Collection Agent**,"), Jupiter Securitization Corporation, a Delaware corporation ("**Jupiter**"), Falcon Asset Securitization Corporation, a Delaware corporation ("**Falcon**"), Windmill Funding Corporation, a Delaware corporation ("**Windmill**"), Bank One, NA ("**Bank One**"), as a "**Servicing Agent**," and ABN AMRO Bank N.V. ("**ABN AMRO**"), as a "**Servicing Agent**" and as "**Administrative Agent**", and pertains to that certain Receivables Loan Agreement, dated as of February 14, 2002, by and among the parties hereto other than Falcon (the "**Agreement**"). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

### WITNESSETH:

**WHEREAS**, Jupiter wishes to assign all of its rights and obligations under the Agreement to Falcon as of the date hereof; and

**WHEREAS**, Falcon wishes to accept and assume all of Jupiter's rights and obligations under the Agreement as of the date hereof; and

**WHEREAS**, Bank One, NA wishes to act as the "**Servicing Agent**" for Falcon in the same manner that it has acted for Jupiter; and

**WHEREAS**, the SPE wishes to consent to Jupiter's, Bank One's and the Administrative Agent's disclosure to Falcon of information regarding the SPE that is not publicly available;

**NOW, THEREFORE**, in consideration of the premises and the other mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment, Assumption and Amendments.

1.1. For value received, as of the date hereof, Jupiter hereby sells, assigns, transfers and conveys all of its Loans, and all of its right, title and interest in and to, and its obligations, if any, under the Loan Documents to Falcon, and Falcon hereby accepts such assignment. In connection with the foregoing assignment, Jupiter makes no representation or warranty to any of the other parties hereto except that it has not previously sold, assigned, pledged or otherwise encumbered all or any portion of its Loans or any of its right, title or interest in and to, and its obligations, if any, under the Loan Documents to any other Person.

1.2. From and after the date hereof, Jupiter shall cease to be a party to or beneficiary of any of the Loan Documents, and Falcon shall be a party thereto and beneficiary thereof in Jupiter's place and stead. Accordingly, from and after the date hereof, all references to "JSC" in the Loan Documents shall be deemed to be references to "Falcon Asset Securitization

Corporation, a Delaware corporation, and its successors and assigns,” and all references to “Jupiter Securitization Corporation” shall be replaced with “Falcon Asset Securitization Corporation”. In addition, any reference in the Exhibits to the Agreement to the “Jupiter Administrator” are hereby replaced with “Falcon Administrator.”

1.3. Bank One hereby confirms its agreement to act as Servicing Agent for Falcon Asset Securitization Corporation, a Delaware corporation, and its successors and assigns, and ABN AMRO hereby confirms its agreement to act as Administrative Agent for Falcon, in each of the foregoing cases, on the terms and subject to the conditions set forth in the Loan Documents.

2. Consent to Disclosure. Pursuant to Section 12.9 of the Agreement, the SPE hereby consents to Jupiter’s, Bank One’s and the Administrative Agent’s disclosure to Falcon of information regarding the SPE that is not publicly available.

3. Effectiveness. This Amendment shall become effective as of the date first above written upon delivery to Bank One and ABN AMRO of counterparts hereof duly executed by each of the parties hereto.

4. Continuing Effect. Except as expressly amended above, the Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed.

5. Binding Effect. This Amendment shall become effective when it shall have been executed and delivered by each of the parties hereto and thereafter shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

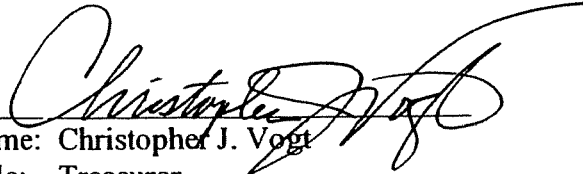
6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

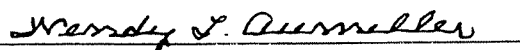
*[signature pages begin on next page]*

***IN WITNESS WHEREOF***, the parties have caused this Amendment to be duly executed and delivered as of the day and year first above written.


CINERGY RECEIVABLES COMPANY LLC

By:   
Name: Christopher J. Vogt  
Title: Treasurer


THE CINCINNATI GAS & ELECTRIC COMPANY, as the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

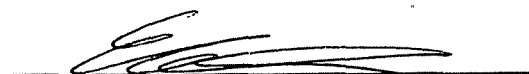
JUPITER SECURITIZATION CORPORATION, AS THE RETIRING LENDER

By:   
Name: Elizabeth Chung  
Title: Authorized Signatory

FALCON ASSET SECURITIZATION CORPORATION, AS THE REPLACEMENT LENDER

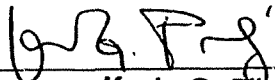
By:   
Name: Elizabeth Chung  
Title: Authorized Signatory

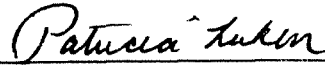
BANK ONE, NA, AS THE SERVICING AGENT FOR JUPITER SECURITIZATION CORPORATION AND  
FALCON ASSET SECURITIZATION CORPORATION

By:   
Name: Elizabeth Chung  
Title: Managing Director

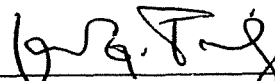
WINDMILL FUNDING CORPORATION, ACTING THROUGH THE WINDMILL-AGENT, AS A  
LENDER

By: ABN AMRO BANK N.V., AS THE WINDMILL-AGENT

By:   
Name: **Kevin G. Pilz**  
Title: **Vice President**

By:   
Name: **Patricia M. Luken**  
Title: **Group Vice President**

ABN AMRO BANK N.V., AS THE ADMINISTRATIVE AGENT

By:   
Name: **Kevin G. Pilz**  
Title: **Vice President**

By:   
Name: **Patricia M. Luken**  
Title: **Group Vice President**

### THIRD AMENDMENT TO RECEIVABLES LOAN AGREEMENT

**THIS AMENDMENT** (this "**Amendment**"), effective as of March 1, 2003, is entered into by and among Cinergy Receivables Company LLC, a Delaware limited liability company (the "**SPE**"), The Cincinnati Gas & Electric Company, (the "**Collection Agent**,"), Falcon Asset Securitization Corporation, a Delaware corporation ("**Falcon**"), Windmill Funding Corporation, a Delaware corporation ("**Windmill**"), Bank One, NA ("**Bank One**"), as a "**Servicing Agent**," and ABN AMRO Bank N.V. ("**ABN AMRO**"), as a "**Servicing Agent**" and as "**Administrative Agent**", and pertains to that certain Receivables Loan Agreement, dated as of February 14, 2002, by and among the parties hereto (the "**Agreement**"). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

#### WITNESSETH:

**WHEREAS**, pursuant to that certain Amended and Restated Purchase and Sale Agreement, dated as of March 31, 2002 among The Cincinnati Gas & Electric Company ("**CG&E**"), PSI Energy, Inc. ("**PSI**") and The Union Light, Heat and Power Company ("**ULH&P**") (each, an "**Originator**" and collectively, the "**Originators**"), and the SPE (the "**Purchase Agreement**"), SPE purchases Receivables from each of the Originators, on the terms and subject to the conditions set forth in the Purchase Agreement; and

**WHEREAS**, the SPE and the Originators wish to modify the Purchase Price for Receivables generated by CG&E and ULH&P by amending the term "**Required Discount**", as defined in Annex I to the Agreement, and as used and reference in the Purchase Agreement; and

**WHEREAS**, the other parties to the Agreement and the Purchase Agreement wish to agree to such modification.

**NOW, THEREFORE**, in consideration of the premises and the other mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Amendment**. From and after the date hereof, the term "**Required Discount**" as defined in Annex I to the Agreement shall be amended to read as follows:

“**Required Discount**” means, as measured each month end, an amount for each Originator which is equal to:

$$1 \text{ minus } \frac{(1-B+L-C)}{1+(D \times T)}$$

where: B = the three year weighted average net charge-off percentage, which is calculated as 12 months of net charge-offs divided by 9 month lagging 12 months of billings. 'Net Charge-offs' is charge-offs less collections. For PSI, the most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

L = the three year weighted average late charges percentage, which is calculated as 12 months of late charges received divided by 12 months of billings. For PSI, the most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

C = collection fee is .25%

D = Prime Rate plus .25%

T = the three year weighted average turnover rate, which is calculated as (i) the month-end balance of Receivables divided (ii) by that month's originated receivables times 12. That percentage is calculated for the most recent 36 months and averaged over that period. For PSI, the most recent year is weighted 50%, the year prior weighted 33.3%, and the oldest year weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%."

2. **Effectiveness.** This Amendment shall become effective as of the date first above written upon delivery of counterparts hereof duly executed by each of the parties hereto.

3. **Continuing Effect.** Except as expressly amended above, the Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed.

4. **Binding Effect.** This Amendment shall become effective when it shall have been executed and delivered by each of the parties hereto and thereafter shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

5. **GOVERNING LAW.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS.

6. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which

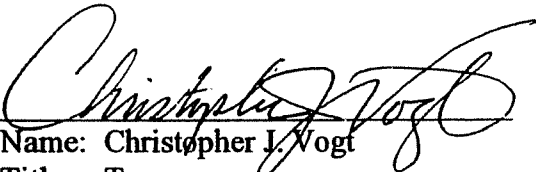


when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

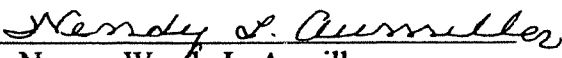
*[signature pages begin on next page]*

***IN WITNESS WHEREOF***, the parties have caused this Amendment to be duly executed and delivered as of the day and year first above written.


CINERGY RECEIVABLES COMPANY LLC, AS THE SPE

By:   
Name: Christopher J. Vogt  
Title: Treasurer


THE CINCINNATI GAS & ELECTRIC COMPANY, AS THE COLLECTION AGENT

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

**FALCON ASSET SECURITIZATION CORPORATION, AS A LENDER**

By:   
Name: Leo V. Loughhead  
Title: Authorized Signatory

**BANK ONE, NA, AS THE SERVICING AGENT FOR FALCON ASSET SECURITIZATION CORPORATION**

By:   
Name: Leo W. Loughhead  
Title: Director, Capital Markets

WINDMILL FUNDING CORPORATION, ACTING THROUGH THE WINDMILL-AGENT, AS A  
LENDER

By: ABN AMRO BANK N.V., AS THE WINDMILL-AGENT

By: *Kevin G. Pilz*  
Name: **Kevin G. Pilz**  
Title: **Vice President**

By: *Thomas J. Educate*  
Name: **THOMAS J. EDUCATE**  
Title: **SENIOR VICE PRESIDENT**

ABN AMRO BANK N.V., AS THE ADMINISTRATIVE AGENT

By: *Kevin G. Pilz*  
Name: **Kevin G. Pilz**  
Title: **Vice President**

By: *Thomas J. Educate*  
Name: **THOMAS J. EDUCATE**  
Title: **SENIOR VICE PRESIDENT**

Acknowledged and agreed to:

THE CINCINNATI GAS & ELECTRIC COMPANY, AS AN ORIGINATOR

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Treasurer

PSI ENERGY, INC., AS AN ORIGINATOR

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Treasurer

THE UNION LIGHT, HEAT AND POWER COMPANY, AS AN ORIGINATOR

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Treasurer

**FOURTH AMENDMENT**  
**Dated as of May 30, 2003**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**

THIS FOURTH AMENDMENT (the "*Amendment*"), dated as of May 30, 2003, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Falcon Asset Securitization Corporation ("*Falcon*"), Windmill Funding Corporation ("*Windmill*") (Falcon and Windmill individually as a "*Lender*" and, collectively, as the "*Lenders*"), Bank One, NA ("*Bank One*"), as the servicing agent for Falcon and ABN AMRO Bank N.V. ("*ABN AMRO*"), as the servicing agent for Windmill (individually a "*Servicing Agent*" and collectively, the "*Servicing Agent*") and ABN AMRO Bank N.V., as administrative agent for the Lender (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Lenders, the Servicing Agents and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

(a) The following defined terms are hereby added to Annex I of the Loan Agreement in the appropriate alphabetical order:

*"Deemed Collections"* means the aggregate of all amounts SPE shall have been deemed to have received as a Collection of a Receivable. SPE shall be deemed to have received a Collection of a Receivable to the extent that the outstanding balance of any such Receivable is either (x) reduced as a result of any defective or rejected goods or services, any discount or any adjustment or otherwise by SPE (other than cash Collections on account of such Receivable) or (y) reduced or canceled as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction).

*"Dilution Horizon Factor"* means, for each calendar month, a fraction, the numerator of which equals (a) the aggregate billed

and unbilled Receivables originated during such calendar month and the denominator of which equals (b) ER as of the end of such calendar month.

“*Dilution Ratio*” means, for each calendar month, a percentage equal to (i) the aggregate amount of Dilutions which occurred during such calendar month, divided by (ii) the aggregate of all billed Receivables originated during such calendar month.

“*Dilutions*” means, at any time or for any period, the aggregate amount of reductions or cancellations described in clause (x) of the definition of Deemed Collections.

“*Implied Rating*” means, for Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc. at any time means with respect to any Person, (i) if the long-term senior secured debt rating and long-term senior unsecured debt rating of such Person by such rating agency are the same, such rating, or (ii) otherwise, the rating that is one gradation above the long-term senior unsecured debt rating of such Person.

“*Permitted Offset Amount*” means the least of (A) the sum of the following amounts (i) applicable accrued sales taxes that are not delinquent and for which no liens have been imposed on any assets of any Originator or the SPE, (ii) customer deposits, and (iii) the lesser of (x) all payables from the Originators arising in connection with the joint ownership arrangements described in clause (9) of the definition of Eligible Receivables and (y) the portion of ER attributable to Receivables arising in connection with such joint ownership arrangements, (B) the amount described in clause (2) of the definition of Reserve and (C) \$45,000,000; *provided, however*, that the Permitted Offset Amount shall be \$0 unless the (a) the amount of the items described in (A)(i), (ii) and (iii) above are reported separately on each Receivables Activity Report and (b) each Originator and Cinergy Corp. maintain a long-term unsecured debt rating of not less than BBB- by Standard & Poor’s Ratings Group and Baa3 by Moody’s Investors Service, Inc.

(b) The defined term “*Required Discount*” appearing in Annex I to the Loan Agreement is hereby deleted in its entirety.

(c) Clause (6) of the defined term “*Eligible Receivable*” is hereby amended by inserting “*other than the Permitted Offset Amount*” after the word “*offset*”.

(d) Clause (5) of the defined term "*Reserve*" appearing in Annex I of the Loan Agreement is hereby amended in its entirety and as so amended shall read as follows:

(5) and the greater of (i) 1.0% and (ii) a percentage calculated in accordance with the following formula:

$$DP = \frac{[(SF \times ADR) + [(HDR - ADR) \times (HDR/ADR)]]}{DHF}$$

where:

DP = the Dilution Percentage;  
ADR = the average of the monthly Dilution Ratios for the 12 most recently ended calendar months;  
HDR = the highest Dilution Ratio for the 12 most recently ended calendar months;  
DHF = the Dilution Horizon Factor;  
SF = the stress factor equals 2

(e) Section 8.3.1(i) of the Loan Agreement is hereby amended in its entirety and as so amended shall read as follows:

(i) any Originator's Implied Rating is less than BBB- by Standard & Poor's Ratings Group or less than Baa3 by Moody's Investors Service, Inc., or either Standard & Poor's Ratings Group or Moody's Investors Service, Inc. does not assign a long-term senior unsecured debt rating to any Originator;

(f) The following sentence is hereby added at the end of Section 12.9:

Notwithstanding any provision in this agreement or any Loan Document to the contrary, each party to the transaction contemplated by the Loan Document (and each employee, representative, or other agent of each party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to the party relating to such tax treatment and tax structure.

(g) The following section is hereby added to the Loan Agreement:

*Section 12.11. Excess Funds.* Notwithstanding any provisions contained in this Agreement to the contrary, Windmill shall not, and shall not be obligated to, pay any amount pursuant to this Agreement unless (i) Windmill has received funds which may be used to make such payment and which funds are not required to



repay its commercial paper notes when due and (ii) after giving effect to such payment, either (x) Windmill could issue commercial paper notes to refinance all of its outstanding commercial paper notes (assuming such outstanding commercial paper notes matured at such time) in accordance with the program documents governing Windmill's securitization program or (y) all of Windmill's commercial paper notes are paid in full. Any amount which Windmill does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in §101 of the United States Bankruptcy Code) against or corporate obligation of Windmill for any such insufficiency unless and until Windmill satisfies the provisions of clauses (i) and (ii) above. This Section shall survive the termination of this Agreement.

(h) Exhibit H to the Loan Agreement is hereby amended in its entirety to be and to read as Exhibit H attached hereto.

*Section 2.* Section 1 of this Amendment shall become effective only once the Agent has received, in form and substance satisfactory to the Agent, all documents and certificates as the Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Agent.

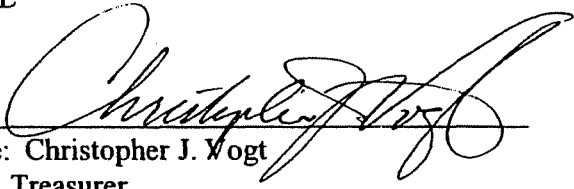
*Section 3.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 4.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

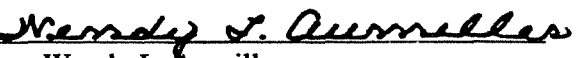
*Section 5.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Wogt  
Title: Treasurer

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

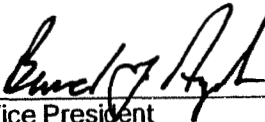
FALCON ASSET SECURITIZATION  
CORPORATION, as a Lender

By: Leo Luskens  
Title: Authorized Signatory

BANK ONE, NA, as the Servicing Agent for  
Falcon Asset Securitization Corporation

By: Leo Luskens  
Title: Managing Director, Capital Markets

WINDMILL FUNDING CORPORATION

By:   
Title: Vice President

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

WINDMILL FUNDING CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By: Kevin G. Pilz  
Title: Vice President

By: Thomas J. Christ  
Title: SVP

**EXHIBIT H**

**LIST OF LOCK-BOX ACCOUNTS**

Fifth Third Bank  
P.O. Box 740263  
Cincinnati, OH 45274-0263  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740399  
Cincinnati, OH 45274-0399  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740124  
Cincinnati, OH 45274-0124  
Account name: Cincinnati Gas &  
Electric Company  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 740320  
Cincinnati, OH 45274-0320  
Account name: The Union Light,  
Heat & Power Company  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631610  
Cincinnati, OH 45263-1610  
Account name: Cincinnati Gas & Electric Co.  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 631611  
Cincinnati, OH 45263-1611  
Account name: Union Light, Heat & Power Co.  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631612  
Cincinnati, OH 45263-1612  
Account name: PSI Energy  
Account number: 726-56113

Bank One, NA  
P.O. Box 663687  
Indianapolis, IN 46266-3687  
Account name: Cinergy/PSI  
Account number: 192601276

**FIFTH AMENDMENT**  
**Dated as of April 29, 2004**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**

THIS FIFTH AMENDMENT (the "*Amendment*"), dated as of April 29, 2004, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Falcon Asset Securitization Corporation ("*Falcon*"), Windmill Funding Corporation ("*Windmill*") (Falcon and Windmill individually as a "*Lender*" and, collectively, as the "*Lenders*"), Bank One, NA ("*Bank One*"), as the servicing agent for Falcon and ABN AMRO Bank N.V. ("*ABN AMRO*"), as the servicing agent for Windmill (individually a "*Servicing Agent*" and collectively, the "*Servicing Agent*") and ABN AMRO Bank N.V., as administrative agent for the Lender (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Lenders, the Servicing Agents and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

(a) The defined term "*Special Concentration Limit*" appearing in Annex I of the Loan Agreement is hereby amended in its entirety and as so amended shall read as follows:

"*Special Concentration Limit*" means, with respect to any Obligor listed on Exhibit A (together with its affiliates and subsidiaries), the percentage of the Aggregate Loan Amount indicated opposite the name of such Obligor; *provided*, that (i) the Special Concentration Limit for any such Obligor may be reduced by any Lender, in its discretion based upon a good faith determination by such Lender, following consultation with the Collection Agent, that there has been an adverse change in the credit of such Obligor, by sending written notice thereof to the Administrative Agent and the SPE, (ii) the Special Concentration Limit for any such Obligor may be increased by the Administrative Agent with the prior consent of each Lender (given by each Lender in its discretion), and (iii) additional names of Obligors may be added to Exhibit A with the prior consent of each Lender (given by



each Lender in its discretion), through the delivery by the Administrative Agent to the SPE of an amended Exhibit A.

(b) Exhibit A to the Loan Agreement is hereby amended in its entirety and as so amended shall read as Exhibit A attached hereto.

(c) Exhibit H to the Loan Agreement is hereby amended in its entirety and as so amended shall read as set forth on Exhibit H attached hereto.

*Section 2.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 3.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

*Section 4.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By: Christopher J. Vogt  
Name: Christopher J. Vogt  
Title: Treasurer

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Treasurer

FALCON ASSET SECURITIZATION  
CORPORATION, as a Lender

By: 

Title: \_\_\_\_\_

**Leo Loughead**

**Authorized Signatory**

BANK ONE, NA, as the Servicing Agent for  
Falcon Asset Securitization Corporation

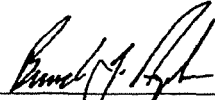
By: 

Title: \_\_\_\_\_

**Leo Loughead**

**Managing Director, Capital Markets**

WINDMILL FUNDING CORPORATION

By:   
Title: Vice President

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By: \_\_\_\_\_  
Title: \_\_\_\_\_

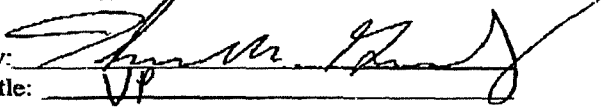
By: \_\_\_\_\_  
Title: \_\_\_\_\_

WINDMILL FUNDING CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By:   
Title: **KEVIN PILZ**  
**VICE PRESIDENT**

By:   
Title: **VP**

**EXHIBIT A**

**SPECIAL CONCENTRATION LIMITS**

OBLIGOR	LIMIT
Dayton Power & Light Co.	2.0%
Columbus Southern Power Co.	3.5%
Indiana Municipal Power Agency	3.5%

**EXHIBIT H**

**LIST OF LOCK-BOX ACCOUNTS**

Fifth Third Bank  
P.O. Box 740263  
Cincinnati, OH 45274-0263  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740399  
Cincinnati, OH 45274-0399  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740444740124  
Cincinnati, OH 45274-04440124  
Account name: Cincinnati Gas &  
Electric Company  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 740282740320  
Cincinnati, OH 45274-02820320  
Account name: The Union Light,  
Heat & Power Company  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631610  
Cincinnati, OH 45263-1610  
Account name: Cincinnati Gas & Electric Co.  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 631611  
Cincinnati, OH 45263-1611  
Account name: Union Light, Heat & Power Co.  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631612  
Cincinnati, OH 45263-1612  
Account name: PSI Energy  
Account number: 726-56113

Bank One, NA  
P.O. Box 663687  
Indianapolis, IN 46266-3687  
Account name: Cinergy/PSI  
Account number: 192601276

Huntington National Bank  
105 East 4<sup>th</sup> Street  
Cincinnati, OH 45202  
Account name: Cincinnati Gas & Electric Company  
Account number: 1659603132

Huntington National Bank  
105 East 4<sup>th</sup> Street  
Cincinnati, OH 45202  
Account name: The Union Light, Heat & Power Company  
Account number: 1659603145

Huntington National Bank  
105 East 4<sup>th</sup> Street  
Cincinnati, OH 45202  
Account name: PSI Energy  
Account number: 1659603051



**SIXTH AMENDMENT**  
**Dated as of May 27, 2005**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**

THIS SIXTH AMENDMENT (the "*Amendment*"), dated as of May 27, 2005, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Falcon Asset Securitization Corporation ("*Falcon*"), Windmill Funding Corporation ("*Windmill*") (Falcon and Windmill individually as a "*Lender*" and, collectively, as the "*Lenders*"), JPMorgan Chase Bank, N.A. (as successor by merger to Bank One, NA ("*JPMorgan*"), as the servicing agent for Falcon and ABN AMRO Bank N.V. ("*ABN AMRO*"), as the servicing agent for Windmill (individually a "*Servicing Agent*" and collectively, the "*Servicing Agents*") and ABN AMRO Bank N.V., as administrative agent for the Lender (the "*Administrative Agent*").

This Amendment amends that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Lenders, the Servicing Agents and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

(a) Clause (2) of the defined term "*Reserve*" appearing in Annex 1 of the Loan Agreement is hereby amended in its entirety and as so amended, shall read as follows:

(2) the product of (a) the Loss Multiple and (b) the highest monthly ratio for any of the 12 months preceding such date of (i) the sum of (A) the aggregate outstanding principal balance of Receivables which, as at the end of such month, were unpaid for more than 150 days past the applicable invoice date and (B) the aggregate outstanding principal balance of Receivables which have been charged-off during such month in conformity with the applicable Originator's standard credit and collection practices and policies to (ii) the outstanding principal balance of Receivables (excluding Unbilled Receivables) as at the end of such month;

(b) Clause (5) of the defined term "Reserve" appearing in Annex I of the Loan Agreement is hereby amended in its entirety and as so amended, shall read as follows:

(5) and the greater of (i) Dilution Floor and (ii) a percentage calculated in accordance with the following formula:

$$DP = [(DSF \times ADR) + [(HDR - ADR) \times (HDR/ADR)]] \times DHF$$

where:

- DP = the Dilution Percentage;
- ADR = the average of the monthly Dilution Ratios for the 12 most recently ended calendar months;
- HDR = the highest Dilution Ratio for the 12 most recently ended calendar months;
- DHF = the Dilution Horizon Factor;
- DSF = Dilution Stress Factor

(c) The following defined terms are hereby added to Schedule I of the Sale Agreement in the appropriate alphabetical order:

"Dilution Floor" means, at any time, based upon the long-term unsecured debt rating of the Collection Agent the following:

S&P Rating	Moody's Rating	Dilution Floor
A- or higher	A3 or higher	1.0%
BBB+	Baa1	1.0%
BBB	Baa2	1.0%
BBB-	Baa3	1.0%
BB+	Ba1	3.0%
Below BB+ or rating suspended or withdrawn by either S&P or Moody's	Below Ba1 or rating suspended or withdrawn by either S&P or Moody's	3.0%

For the purposes of the foregoing, if one of the two ratings established by Moody's and S&P shall be (i) one category lower than the other, the Dilution Floor shall be determined by reference to the higher of the two ratings, and (ii) two or more categories lower than the other, the Dilution Floor shall be determined by reference to the category next above that of the lower of the two ratings.

**"Dilution Stress Factor"** means, at any time, based upon the long-term unsecured debt rating of the Collection Agent the following:

S&P Rating	Moody's Rating	Dilution Stress Factor
A- or higher	A3 or higher	1.0
BBB+	Baa1	2.0
BBB	Baa2	2.0
BBB-	Baa3	2.0
BB+	Ba1	2.5
Below BB+ or rating suspended or withdrawn by either S&P or Moody's	Below Ba1 or rating suspended or withdrawn by either S&P or Moody's	3.0

For the purposes of the foregoing, if one of the two ratings established by Moody's and S&P shall be (i) one category lower than the other, the Dilution Stress Factor shall be determined by reference to the higher of the two ratings, and (ii) two or more categories lower than the other, the Dilution Stress Factor shall be determined by reference to the category next above that of the lower of the two ratings.

**"Loss Multiple"** means, at any time, based upon the long-term unsecured debt rating of the Collection Agent the following:

S&P Rating	Moody's Rating	Loss Multiple
A- or higher	A3 or higher	1.5
BBB+	Baa1	1.5
BBB	Baa2	1.5
BBB-	Baa3	1.5
BB+	Ba1	2.0
Below BB+ or rating suspended or withdrawn by either S&P or Moody's	Below Ba1 or rating suspended or withdrawn by either S&P or Moody's	2.5

For the purposes of the foregoing, if one of the two ratings established by Moody's and S&P shall be (i) one category lower than the other, the Loss Multiple shall be determined by reference to the higher of the two ratings, and (ii) two or more categories lower than the other, the Loss Multiple shall be determined by reference to the category next above that of the lower of the two ratings.

*Section 2.* This Amendment shall become effective only once the Agent has received (i) executed counterparts hereof from each of the parties hereto, (ii) the fully executed Sixth Amendment to the Back-Stop Agreement, (iii) the fully executed Windmill Rate Supplement and (iv) the fully executed Falcon Rate Supplement.

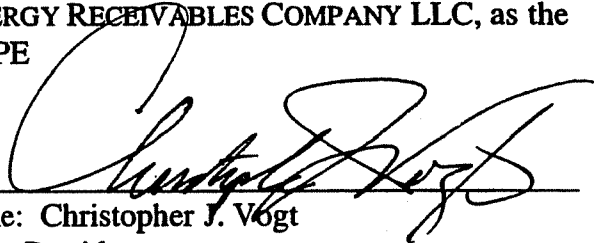
*Section 3.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 4.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.


*Section 5.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.


CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: President

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

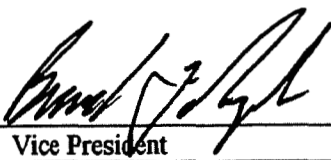
FALCON ASSET SECURITIZATION  
CORPORATION, as a Lender

By:   
Title: Leo Loughhead  
**Authorized Signatory**

JPMORGAN CHASE BANK, N.A., as the  
Servicing Agent for Falcon Asset  
Securitization Corporation

By:   
Title: Leo Loughhead  
**Managing Director**

WINDMILL FUNDING CORPORATION, as a  
Lender

By:   
Title: Vice President

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

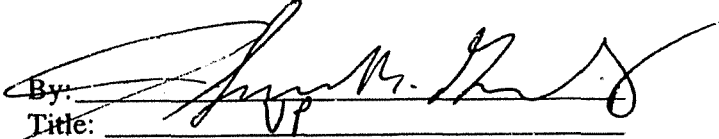
By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

WINDMILL FUNDING CORPORATION, as a  
Lender

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By:   
Title: \_\_\_\_\_

By:   
Title: **KEVIN J. HAYES**  
**DIRECTOR**



**SEVENTH AMENDMENT**  
**Dated as of January 9, 2006**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**

THIS SEVENTH AMENDMENT (the "*Amendment*"), dated as of January 9, 2006, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Falcon Asset Securitization Corporation ("*Falcon*"), Windmill Funding Corporation ("*Windmill*") (Falcon and Windmill individually as a "*Lender*" and, collectively, as the "*Lenders*"), JPMorgan Chase Bank, National Association (as successor by merger to Bank One, NA ("*JPMorgan*"), as the servicing agent for Falcon and ABN AMRO Bank N.V. ("*ABN AMRO*"), as the servicing agent for Windmill (individually a "*Servicing Agent*" and collectively, the "*Servicing Agents*") and ABN AMRO Bank N.V., as administrative agent for the Lender (the "*Administrative Agent*").

This Amendment amends that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Lenders, the Servicing Agents and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

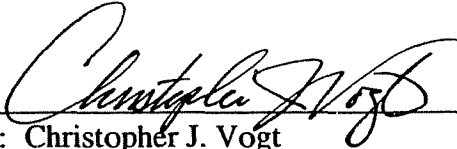
Clause (viii) of Section 8.3.1(a) of the Loan Agreement is hereby amended in its entirety and as so amended, shall read as follows:

(viii) the Parent, or the ultimate parent company resulting from the merger transaction described in the Agreement and Plan of Merger by and among Duke Energy Corporation, Cinergy Corp., Deer Holding Corp., Deer Acquisition Corp. and Cougar Acquisition Corp., dated as of May 8, 2005 as disclosed in Form 8-K filed by Cinergy Corp. with the Securities and Exchange Commission on May 10, 2005, and other filings made by Cinergy Corp. with respect to such transaction, fails to own directly or indirectly one hundred percent (100%) of the membership interests of SPE.

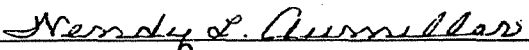
*Section 2.* This Amendment shall become effective only once the Agent has received (i) executed counterparts hereof from each of the parties hereto and (ii) the fully executed Seventh Amendment to the Back-Stop Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: President

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

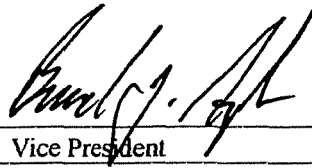
FALCON ASSET SECURITIZATION  
CORPORATION, as a Lender

By:   
Title: \_\_\_\_\_

**Leo Loughhead**  
**Authorized Signatory**  
JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION, as the Servicing Agent for  
Falcon Asset Securitization Corporation

By:   
Title: \_\_\_\_\_  
**Leo Loughhead**  
**Managing Director**

WINDMILL FUNDING CORPORATION, as a  
Lender

By:   
Title: Vice President

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

WINDMILL FUNDING CORPORATION, as a  
Lender

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Administrative  
Agent and as the Servicing Agent for  
Windmill Funding Corporation

By: Thomas J. Chant  
Title: SVP

By: [Signature]  
Title: SVP

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RECEIVABLES LOAN AGREEMENT

among

CINERGY RECEIVABLES COMPANY,  
as SPE

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as Collection Agent

BANK ONE, NA,  
as a Committed Lender

ABN AMRO BANK N.V.,  
as a Committed Lender and  
as Administrative Agent

Dated February 14, 2002

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## RECEIVABLES LOAN AGREEMENT

This RECEIVABLES LOAN AGREEMENT is entered into this 14th day of February 2002 by and among the following parties:

CINERGY RECEIVABLES COMPANY LLC, a Delaware limited liability company, as the "SPE";

THE CINCINNATI GAS & ELECTRIC COMPANY, in its capacity as the initial "Collection Agent" (as defined below);

BANK ONE, NA ("*Bank One*"), ABN AMRO BANK N.V. ("*ABN AMRO*") (Bank One and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*"); and

ABN AMRO BANK N.V., as the administrative agent for the Committed Lenders (in such capacity, the "*Administrative Agent*").

### PRELIMINARY STATEMENT

In consideration of the mutual agreements contained herein and the other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

#### SECTION I. DEFINITIONS AND RELATED MATTERS.

*Section 1.1. Defined Terms.* In this Back-Stop Agreement, unless otherwise specified or defined herein: (a) capitalized terms are used as defined in Annex I of the Second Tier Agreement; and (b) terms defined in Article 9 of the UCC and not otherwise defined herein are used as defined in such Article 9 as in effect on the date hereof.

*Section 1.2. Other Interpretive Matters.* In this Back-Stop Agreement, unless otherwise specified: (a) references to any Section or Annex refer to such Section of, or Annex to, this Back-Stop Agreement, and references in any Section or definition to any subsection or clause refer to such subsection or clause of such Section or definition; (b) "herein," "hereof," "hereto," "hereunder" and similar terms refer to this Back-Stop Agreement as a whole and not to any particular provision of this Back-Stop Agreement; (c) including means including without limitation, and other forms of the verb to include have correlative meanings; (d) the word "or" is not exclusive; and (e) captions are solely for convenience of reference and shall not affect the meaning of this Back-Stop Agreement.

## ARTICLE II

### LOAN FACILITY

*Section 2.1. Agreement to Lend.* On the terms and conditions described in this Agreement, each Committed Lender agrees to make Loans during the period on and after the Commencement Date until (but excluding) the Termination Date for such Committed Lender in the event that JSC and Windmill elect not to purchase an interest in Receivables under the Conduit Agreement. In no event shall (i) the Aggregate Loan Amount exceed the Maximum Aggregate Loan Amount or (ii) the Loan Amount of any Committed Lender exceed such Committed Lender's Maximum Loan Amount.

*Section 2.2. Extension of Termination Date.* The Termination Date may, at the written request of SPE, be extended with respect to any Committed Lender to a 360-day period (calculated from the Business Day on which such Committed Lender grants such extension). Within thirty (30) days of receipt of SPE's written request to extend the Termination Date, the applicable Committed Lender shall notify SPE and the Administrative Agent whether or not it elects to grant such extension. Such extension shall become effective upon the date on which such Committed Lender grants such extension. In the event no written request for an extension is received by a Committed Lender from SPE, or if a Committed Lender does not respond to a request for an extension, such Committed Lender's obligation to make Loans will terminate on the then effective Termination Date for such Committed Lender.

## ARTICLE III

### LOANS

*Section 3.1. Determination of Interest.* (a) When a Committed Lender makes a Loan to SPE, the Administrative Agent, on behalf of such Committed Lender is hereby granted an undivided percentage security interest in the Receivables and any Collections relating to the Receivables. The undivided percentage security interest of the Administrative Agent, on behalf of the Committed Lenders in the Receivables and Collections shall be referred to in this Back-Stop Agreement as the "Interest" and each Committed Lender's interest in the Interest shall be determined by such Committed Lender's Loan Percentage. The Interest on any date, except as provided in paragraph (b) of this Section, is equal to the following fraction (expressed as a percentage):

$$\frac{AI + R}{ER}$$

Where:

AI = the Aggregate Loan Amount on such date;

R = the Reserve on such date; and

ER = the outstanding principal balance of all Eligible Receivables on such date minus (i) the aggregate amount by which the outstanding balance of Eligible Receivables of each Obligor exceeds the Standard Concentration Limit or Special Concentration Limit for such Obligor and (ii) the Unbilled Receivables Reduction Amount for such date.

The Interest will change from time to time, except as provided in paragraph (b) of this Section, whenever the Aggregate Loan Amount, Reserve or the outstanding principal balance of Eligible Receivables changes.

(b) During any period when the Aggregate Loan Amount is being reduced, the Interest will remain fixed at the percentage in effect as of the close of business on the Business Day immediately preceding the commencement of that period; *provided* that, for reporting purposes only, SPE shall continue to calculate the Interest as described in Section 3.1(a).

(c) Notwithstanding the calculation of the Interest as provided above, the Committed Lenders' Interest in the Receivables and Collections shall continue until the Collection Date. Following the Collection Date, the Committed Lenders shall not be entitled to receive any additional Collections from the Receivables.

(d) Subject to the provisions of Section 8.2(d), upon SPE's grant of the Interest, the Administrative Agent shall be entitled to (i) endorse all drafts, checks and other forms of payment on account of the Receivables and to settle, adjust and forgive any amounts payable on the Receivables and (ii) exercise all other incidents of ownership in the Receivables, in each case on behalf of the Committed Lenders.

*Section 3.2. Frequency of Determining Interest.* The Collection Agent shall determine or be deemed to determine the Interest and report it to each Committed Lender at the following times:

- (a) on the date of an Initial Loan;
- (b) on each Settlement Date;
- (c) on the date of an Incremental Loan;
- (d) on the Business Day immediately preceding any period during which the Aggregate Loan Amount is being reduced;
- (e) on the Business Day on which the Aggregate Loan Amount ceases being reduced;
- (f) when the Collection Agent has reason to believe that the Maximum Interest has been exceeded; and
- (g) at the request of any Committed Lender.

*Section 3.3. Maximum Interest.* If at any time the Interest exceeds the Maximum Interest, SPE shall immediately make a payment to the Collection Agent in an amount sufficient to reduce the Interest to the Maximum Interest. Any such payment will be used to reduce principal amount of the Loans of each Committed Lender based upon each Committed Lender's Loan Percentage at such time.

*Section 3.4. Security Interest.* (a) SPE hereby grants to the Administrative Agent, for its own benefit and for the benefit of each Committed Lender, a security interest in the Interest and in the Lock-Box Accounts to secure the payment of all amounts owing hereunder and to secure the repayment of all Loans.

(b) SPE hereby assigns and otherwise transfers as security for amounts payable to the Committed Lenders and the Administrative Agent hereunder to the Administrative Agent (for the benefit of the Administrative Agent, the Committed Lenders and any other Person to whom any amount is owed hereunder), all of SPE's right, title and interest in, to and under the Purchase Agreement. SPE shall execute, file and record all financing statements, continuation statements and other documents required to perfect or protect such assignment. This assignment includes (a) all monies due and to become due to SPE from each Originator under or in connection with the Purchase Agreement (including fees, expenses, costs, indemnities and damages for the breach of any obligation or representation related to such agreement) and (b) all rights, remedies, powers, privileges and claims of SPE against each Originator under or in connection with the Purchase Agreement. All provisions of the Purchase Agreement shall inure to the benefit of, and may be relied upon by, the Administrative Agent, the Committed Lenders and each such other Person. At any time that a Event of Termination has occurred and is continuing, the Administrative Agent shall have the sole right to enforce SPE's rights and remedies under the Purchase Agreement to the same extent as SPE could absent this assignment, but without any obligation on the part of the Administrative Agent, the Committed Lenders or any other such Person to perform any of the obligations of SPE under the Purchase Agreement (or the promissory note executed thereunder). All amounts paid to SPE by Obligors on Receivables sold to SPE under the Purchase Agreement shall constitute Collections hereunder and shall be applied in accordance herewith.

#### ARTICLE IV

#### LOAN AMOUNTS

The principal amount of a Loan advanced by each Committed Lender for its security interest in the Interest in the Receivables and any Collections shall be determined in accordance with this Article IV.

*Section 4.1. Determination of Loan Amounts.* When a Committed Lender accepts a request from SPE to make a Loan, such Committed Lender will pay the following amounts in cash to the Collection Agent on behalf of SPE:

(a) for Initial and Incremental Loans, the amount specified in the notice required to be delivered by the Collection Agent on behalf of SPE under Section 6.2(a); or

(b) for a Reinvestment Loan, the amount obtained by multiplying (i) the dollar amount of the Collections received during the Settlement Period immediately preceding the Settlement Date on which such Reinvestment Loan is made by (ii) such Committed Lender's Loan Percentage of the Interest on that date, and subtracting from such amount any amounts then payable to such Committed Lender under Sections 7.2.2(b)(i) and (ii);

*provided* that the payment of any amount described in (a) or (b) above would not cause (and such amount shall be reduced so as not to cause) either:

(1) the Loan of such Committed Lender to exceed the Maximum Loan Amount for such Committed Lender; or

(2) the Aggregate Loan Amount to exceed the Maximum Aggregate Loan Amount; or

(3) the Interest to exceed the Maximum Interest.

## ARTICLE V

### FEES AND EXPENSES

*Section 5.1. Rate Supplements.* SPE will enter into a Rate Supplement with each Committed Lender setting forth, among other things, the fees payable by SPE to such Committed Lender in connection with this Back-Stop Agreement.

*Section 5.2. Collection Agent Fee.* On each Settlement Date, SPE will pay to the Collection Agent the Collection Agent Fee for such Settlement Date. If one of the Originators or one of their Affiliates is acting as the Collection Agent, then the Collection Agent shall retain an amount equal to the Collection Agent Fee (in full satisfaction of the payment of such fee to the Collection Agent) as described in Section 7.2.1.

*Section 5.3. Interest on Unpaid Amounts.* To the extent that SPE or the Collection Agent fails to pay when due to any Committed Lender or the Administrative Agent any fee, expense or other amount payable hereunder or under any Loan Document, interest shall be due and payable on such unpaid amount, for each day until paid in full, at the rate of two percent in excess of the rate of interest per annum published on such day (or, if not then published, on the most recently preceding day) in *The Wall Street Journal* as the "Prime Rate." Changes in the rate payable hereunder shall be effective on each date on which a change in the "Prime Rate" is published.

## ARTICLE VI

### LOAN PROCEDURES

*Section 6.1. Types of Loans.* All Loans shall be requested and made by the Committed Lenders on a pro rata basis based upon their Loan Percentages. The three types of Loans which can be made by a Committed Lender under this Back-Stop Agreement are an Initial Loan, an Incremental Loan and a Reinvestment Loan. The first Loan made by a Committed Lender under this Back-Stop Agreement is an Initial Loan. Any Loan (other than an Initial Loan) made by a Committed Lender which causes the amount of the Loan to increase is an Incremental Loan. The amount of each Incremental Loan shall be \$1,000,000 or greater. Any Loan made by a Committed Lender with Collections allocable to such Committed Lender is a Reinvestment Loan.

*Section 6.2. Notice Requirements.* (a) In the case of an Initial Loan or an Incremental Loan, SPE will give the applicable Committed Lender and the Administrative Agent three Business Days' written notice of its request for a Loan from a Committed Lender. The notice will be in the form of Exhibit B, and will include the amount of the new Loan requested and the Business Day on which the Loan will be made.

(b) Unless an election has been made not to borrow Reinvestment Loans or Reinvestment Loans must automatically cease as provided below, a Committed Lender's Loan Percentage of the Interest in Collections received during any Settlement Period prior to the earliest to occur of (i) the Termination Date (as defined in the Second Tier Agreement), (ii) the Termination Date and (iii) an Event of Termination shall automatically be used to make Reinvestment Loans on the immediately succeeding Settlement Date by such Committed Lender. SPE may elect not to make Reinvestment Loans by notifying the other parties hereto to such effect. Any such election by SPE shall apply to each Committed Lender on a pro rata basis based upon the Maximum Loan Amounts of each Lender. Such notice shall be given by no later than 1:00 P.M. New York time on the third Business Day preceding the date on which the Reinvestment Loan was contemplated to be made. The notice will be in the form of Exhibit C-1, and will specify (i) the date on which Reinvestment Loans shall cease and (ii) the principal amount to which the applicable Committed Lender's Loan shall be reduced before Reinvestment Loans by such Committed Lender will recommence. Reinvestment Loans shall also automatically cease for all Committed Lenders on the earliest to occur of (i) the Termination Date (as defined in the Second Tier Agreement), (ii) the Termination Date and (iii) the occurrence of an Event of Termination.

(c) Upon notice to all Committed Lenders in the form of Exhibit C-2 (by no later than 1:00 P.M. New York time on the third Business Day preceding a Settlement Date), SPE, may, on such Settlement Date, reduce the dollar amount of each Committed Lender's Loan Amount on a pro rata basis upon the Maximum Loan Amount of each Lender in lieu of the application of Collections to the amount of such reduction (as described in paragraph 6.2(b) above) by paying to each Committed Lender, by 3:00 P.M. New York time on the Settlement Date, the dollar amount by which each Committed Lender's Loan Amount is to be reduced, after giving effect to

the application of Collections received and applied to the reduction of each Committed Lender's Loan Amount on such Settlement Date.

*Section 6.3. Conditions Precedent to Initial Loan.* The following conditions must be satisfied before any Committed Lender will be required to make an Initial Loan:

*Section 6.3.1. Absence of Liens.* The Administrative Agent will have received evidence acceptable to it (including Uniform Commercial Code search reports) that all Receivables and all proceeds thereof are free and clear of liens, security interests, claims and encumbrances.

*Section 6.3.2. Financing Statements.* The Administrative Agent will have received acknowledgment copies of UCC-1 financing statements, and all other documents reasonably requested by the Administrative Agent, to evidence the perfection of the Committed Lenders' Interest in the Receivables.

*Section 6.3.3. Lock-Box Agreement.* The Administrative Agent will have received original Lock-Box Agreements (each a "Lock-Box Agreement" and collectively "Lock-Box Agreements") in the form of Exhibit F executed by SPE and each of the Lock-Box Banks.

*Section 6.3.4. Receivables Activity Report.* The Administrative Agent will have received a Receivables Activity Report in the form of Exhibit G covering the calendar month ending most recently prior to the date on which this Back-Stop Agreement is executed.

*Section 6.3.5. SPE Resolutions.* The Administrative Agent will have received a certificate of each Originator's and SPE's secretary or an assistant secretary attesting to:

- (a) the resolutions of such Person's Board of Directors or Members or authorized committee thereof authorizing transactions of the type evidenced by the Loan Documents;
- (b) the name(s) and signature(s) of the officer(s) of such Person executing the Loan Documents; and
- (c) the completeness and correctness of the attached articles of incorporation or certificate of formation (certified by the appropriate Secretary of State) and by-laws, or operating agreement of such Person.

*Section 6.3.6. Legal Opinions.* The Administrative Agent will have received opinions from counsel to each Originator and SPE, substantially in the form attached hereto as Exhibit H.

*Section 6.3.7. Good Standing Certificates.* The Administrative Agent will have received a certificate of recent date issued by the appropriate official in such Person's



jurisdiction of organization and jurisdiction of its principal place of business as to the legal existence and good standing of each Originator and the legal existence of the SPE.

*Section 6.3.8. UCC Releases.* The Administrative Agent shall have received (or be satisfied that it will receive following the application of the proceeds of an Initial Loan), UCC-3 Termination Statements executed by all parties listed as secured parties on UCC Financing Statements covering the Receivables.

*Section 6.3.9. Rate Supplement.* Such Committed Lender will have received a Rate Supplement executed by SPE and such Committed Lender.

*Section 6.4. Condition Precedent to All Incremental Loans.* Before any Committed Lender will make an Incremental Loan, the Administrative Agent and such Committed Lender will have received (i) a Receivables Activity Report in the form of Exhibit G covering the last Settlement Period for which such report was required to be delivered under Section 7.4 and (ii) if and to the extent such Committed Lender requests, a reasonable estimate of the aggregate outstanding balance of all Receivables as of the Business Day preceding the date of the Incremental Loan.

*Section 6.5. Conditions Precedent to All Loans.* The following conditions must be satisfied before any Committed Lender who has accepted an offer to make a Loan will be obligated to make such Loan:

*Section 6.5.1. Representations and Covenants.* On and as of the date of such Loan (i) the representations of SPE in Article IX hereof and the representations of the Originators in Section 4 of the Purchase Agreement shall be true and correct with the same effect as if made on such date and (ii) SPE shall be in compliance with the covenants set forth in this Back-Stop Agreement and the Originators shall be in compliance with the covenants set forth in Section 5 of the Purchase Agreement.

*Section 6.5.2. Other Documents.* The Administrative Agent, each Servicing Agent and each Committed Lender will have received all other documents that any of them had reasonably requested from SPE.

#### SETTLEMENT PROCEDURES

*Section 7.1. Settlement Date.* Each of the following shall constitute a Settlement Date:

- (a) the first Business Day of each month;
- (b) each day designated as a Settlement Date by any Committed Lender by notice to the Administrative Agent, the Servicing Agents and SPE;
- (c) each Business Day on which any Committed Lender's Loan Amount is reduced in accordance with Section 6.2; and

(d) any date on which a reduction in the Aggregate Loan Amount is required to prevent the Interest from exceeding the Maximum Interest.

*Section 7.2. Application of Collections.* The Collection Agent will retain Collections between Settlement Dates and will hold the Interest in such Collections that will be required to be distributed to the Lenders on the next Settlement Date pursuant to Section 7.2.1 in trust for the Lenders pending such disbursement.

*Section 7.2.1. Application of Collections on Settlement Dates.* The Collection Agent will, by 3:00 P.M. (New York time) on each Settlement Date, from Collections received since the preceding Settlement Date:

(a) *first*, pay to Collection Agent on behalf of SPE for its share of ownership in the Collections that are not subject to the Interest an amount equal to the product of: (i) 1 minus the Interest and (ii) total Collections; and

(b) *second*, from the Committed Lenders' Interest in the Collections, pay:

(i) *first*, to each Servicing Agent for the account of the related Committed Lender an amount equal to the Carrying Costs due to such Committed Lender on such Settlement Date;

(ii) *second*,

(A) to the extent Reinvestment Loans by any Committed Lender have been suspended, then such Committed Lender's Loan Percentage of all remaining Collections will be paid to such Committed Lender as a repayment of its Loan Amount; or

(B) to the extent Reinvestment Loans by any Committed Lender have not been suspended, then such Committed Lender's Loan Percentage of all remaining Collections shall be paid to the Collection Agent for the account of SPE for a Reinvestment Loan by such Committed Lender;

any payment to Collection Agent on behalf of SPE for its ownership interest in the Receivables that is not subject to the Interest shall be free and clear of any security interest in favor of Administrative Agent, either Servicing Agent or either Committed Lender. Administrative Agent, each Servicing Agent and each Committed Lender shall confirm the absence of such security interest in writing from time to time promptly upon request by SPE or any Originator. SPE will pay the Collection Agent Fee from amounts distributed to it hereunder.

*Section 7.3. Dilution and Other Billing Adjustments.* (a) the Collection Agent shall immediately notify the Administrative Agent and each Committed Lender if (i) the

representation and warranty contained in Section 9.1(f) is no longer true with respect to a Receivable in which the Committed Lenders have an Interest, (ii) the Collection Agent proposes to (x) materially reduce or cancel the outstanding balance of a Receivable in which the Committed Lenders have an Interest as a result of defective, rejected or returned merchandise or services or in connection with a claim, dispute, or offset asserted against such Receivable by an Obligor or (y) otherwise amend, modify or waive any term or condition of such Receivable in any material respect or (iii) the Collection Agent obtains notice that a Receivable which was not to the best of the Collection Agent's knowledge a Defaulted Receivable at the time it became subject to the Interest was a Defaulted Receivable at such time.

(b) On the date any notice is given as described in Section 7.3(a), and in any event prior to its taking any of the actions referred to in clause (ii) thereof, SPE shall:

(i) adjust the Interest in effect on such date by decreasing "ER" in the denominator of the fraction described in Section 3.1(a) by the face amount of the affected Receivable to the extent that the Interest would not, as a result, exceed the Maximum Interest; and

(ii) pay cash to the Collection Agent on behalf of the Committed Lenders in an amount equal to the face amount of the affected Receivable less the amount of any adjustment made to the Interest with respect to such Receivable pursuant to clause (i) above, to be applied in accordance with Section 7.2.

*Section 7.4. Receivables Activity Report.* The Collection Agent will provide the Committed Lenders with a Receivables Activity Report no later than 5 days prior to each Settlement Date. The Receivables Activity Report will be in the form of Exhibit G and will cover the most recently completed Settlement Period.

*Section 7.5. Sharing of Payments.* If any Committed Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any amount owing to it under or in connection with this Back-Stop Agreement (other than any payment made pursuant to Article XI), which is in excess of its ratable share of payments made to the Committed Lenders in respect of such item or which is inconsistent with Section 7.2.1 or 7.2.2 (as applicable), such Committed Lender shall forthwith purchase from the other Committed Lenders such participations in such other Committed Lenders' Loans (or Carrying Costs with respect thereto) as shall be necessary to cause such purchasing Committed Lender to share the excess payment ratably with each of them as if such amount were distributed pursuant to Section 7.2.1 or 7.2.2 (as applicable); *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Committed Lender, such purchase from each selling Committed Lender shall be rescinded and such selling Committed Lender shall repay to the purchasing Committed Lender the purchase price to the extent of such recovery together with an amount equal to such selling Committed Lender's ratable share of any Carrying Costs or other amounts paid or payable by the purchasing Committed Lender in respect of the total amount so recovered.

## ARTICLE VIII

### AGENTS

*Section 8.1. Appointment of Administrative Agent.* Each Committed Lender appoints ABN AMRO as Administrative Agent and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers as are expressly delegated to the Administrative Agent by the terms hereof, together with such other powers as are reasonably incidental thereto. When requested to do so by the Committed Lenders, the Administrative Agent shall take such action or refrain from taking such action as the Committed Lenders direct under or in connection with or on any matter relating to this Back-Stop Agreement and all other Loan Documents. In the event of a conflict between a determination or calculation made by the Administrative Agent and a determination or calculation made by the Committed Lenders, the determination or calculation made by the Committed Lenders shall control. Except for actions which the Administrative Agent is expressly required to take pursuant to this Back-Stop Agreement, the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to applicable law unless the Administrative Agent shall receive further assurances to its satisfaction from the Committed Lenders of the indemnification obligations under Section 8.1.5 against any and all liability and expense which may be incurred in taking or continuing to take such action. The Administrative Agent agrees to give to each Committed Lender prompt notice of each notice and determination given to it by SPE, or by it to SPE, pursuant to the terms of this Back-Stop Agreement. Subject to Section 8.1.6, the appointment and authority of the Administrative Agent hereunder shall terminate on the Collection Date.

*Section 8.1.1. UCC Filings.* The Committed Lenders and SPE expressly recognize and agree that the Administrative Agent may be listed as the assignee or secured party of record on, and the Committed Lenders expressly authorize the Administrative Agent to execute on their behalf as their agent, the various UCC filings required to be made hereunder in order to perfect the transfer of the Interest from SPE to the Committed Lenders, that such listing and/or execution shall be for administrative convenience only in creating a record or nominee owner to take certain actions hereunder on behalf of the Committed Lenders or to execute UCC filings on behalf of the Committed Lenders and that such listing and/or execution will not affect in any way the status of the Committed Lenders as the holders of the Interests. In addition, such listing or execution shall impose no duties on the Administrative Agent other than those expressly and specifically undertaken in accordance with this Article VIII. In furtherance of the foregoing, each Committed Lender shall be entitled to enforce its rights created under this Back-Stop Agreement without the need to conduct such enforcement through the Administrative Agent except as provided herein.

*Section 8.1.2. Administrative Agent's Reliance, Etc.* Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this Back-Stop Agreement, except for its or their own gross negligence or willful misconduct. Without limiting the foregoing, the Administrative Agent: (i) may consult

with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Committed Lender and shall not be responsible to any Committed Lender for any statements, warranties or representations made by SPE in or in connection with this Back-Stop Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Back-Stop Agreement on the part of SPE or to inspect the property (including the books and records) of SPE; (iv) shall not be responsible to any Committed Lender for the due execution, legality, validity, enforceability or genuineness, sufficiency or value of this Back-Stop Agreement or any other instrument or document furnished pursuant hereto, and (v) shall incur no liability under or in respect of this Back-Stop Agreement by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by telex) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

*Section 8.1.3. ABN AMRO and Affiliates.* ABN AMRO and its affiliates may generally engage in any kind of business with SPE or any Obligor, any of their respective affiliates and any person who may do business with or own securities of SPE or any Obligor or any of their respective affiliates, all as if ABN AMRO were not the Administrative Agent and without any duty to account therefor to the Committed Lenders.

*Section 8.1.4. Committed Lender's Loan Decision.* Each Committed Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Committed Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Back-Stop Agreement and, if it so determines, to make Loans secured by the Interest hereunder. Each Committed Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Committed Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Back-Stop Agreement.

*Section 8.1.5. Indemnification.* Each Committed Lender severally agrees to indemnify the Administrative Agent (to the extent not reimbursed by SPE), ratably in accordance with its Loan Percentage (as defined below), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Back-Stop Agreement or any action taken or omitted by the Administrative Agent under this Back-Stop Agreement; *provided*, that (i) a Committed Lender shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting or arising from the Administrative Agent's gross negligence or willful misconduct and (ii) a Committed Lender shall not be liable for any amount in respect of any compromise or settlement of

any of the foregoing unless such compromise or settlement is approved by such Committed Lender. Without limitation of the generality of the foregoing, to the extent not paid by SPE hereunder, each Committed Lender agrees to reimburse the Administrative Agent, promptly upon demand, ratably in accordance with its Ratable Share, for any reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Back-Stop Agreement, *provided*, that a Committed Lender shall not be responsible for the costs and expenses of the Administrative Agent in defending itself against any claim alleging the gross negligence or willful misconduct of the Administrative Agent.

*Section 8.1.6. Successor Administrative Agent.* The Administrative Agent may resign at any time by giving sixty days' written notice thereof to the Committed Lenders, SPE and the Collection Agent (it being understood that ABN AMRO does not currently foresee resigning as Administrative Agent hereunder so long as ABN AMRO is a Committed Lender and is unaware of any current facts or circumstances that would cause it to resign). Upon any such resignation, the Committed Lenders shall have the right to appoint a successor Administrative Agent approved by SPE (which approval will not be unreasonably withheld or delayed). If no successor Administrative Agent shall have been so appointed by the Committed Lenders, and shall have accepted such appointment, within sixty days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Committed Lenders, appoint a successor Administrative Agent approved by SPE (which approval will not be unreasonably withheld or delayed), which successor Administrative Agent shall be (a) either (i) a commercial bank having a combined capital and surplus of at least \$250,000,000, (ii) an Affiliate of such bank, or (iii) an Affiliate of Bank One or ABN AMRO and (b) experienced in the types of transactions contemplated by this Back-Stop Agreement. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Back-Stop Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Back-Stop Agreement.

*Section 8.2. Appointment of Collection Agent.* (a) The SPE hereby appoints CG&E as Collection Agent and the Collection Agent accepts such appointment. The Collection Agent shall be responsible for collecting the Receivables, tracking, holding and remitting the Collections and fulfilling all other duties expressly assigned to it in this Back-Stop Agreement. The SPE and each of the Committed Lenders acknowledges that CG&E may delegate to PSI its responsibilities as Collection Agent with respect to Receivables originated by PSI. CG&E may allocate a portion of the Collection Agent Fee to PSI as determined between CG&E and PSI.

(b) The Collection Agent shall, on each day on which Collections are received by it, set aside and hold in trust for the SPE and the Committed Lenders their respective shares of such Collections until applied in accordance with Section 7.2.

(c) The SPE and the Committed Lenders grant the Collection Agent the authority necessary to carry out its duties under this Back-Stop Agreement for so long as it is acting as Collection Agent.

(d) The SPE and the Committed Lenders grant to the Collection Agent, for so long as it is acting in that capacity, an irrevocable power of attorney to endorse all drafts, checks and other forms of payment made out in SPE's name and to settle, adjust and forgive any Receivable, subject to the provisions of Section 10.3(b) hereof. Upon any replacement of the Collection Agent, such power of attorney in favor of the replaced Collection Agent will terminate and have no further force or effect.

(e) The Collection Agent shall exercise reasonable care in the performance of its duties under this Back-Stop Agreement and shall use the same degree of care and skill which it applies to its own property.

*Section 8.2.1. Replacement of Collection Agent; Notification of Obligors.*

(a) Upon the occurrence of any Event of Termination, the Committed Lenders may direct the Administrative Agent to cause the SPE to remove CG&E ( or any other Originator or Affiliate thereof that subsequently becomes the Collection Agent), as the Collection Agent, appoint a new Collection Agent, take control of the Lock-Box Accounts (by delivering to the Lock-Box Banks notice in the form of Exhibit E), notify Obligors of the Committed Lenders' Interest in the Receivables and exercise all other incidences of ownership in the Receivables.

(b) The Administrative Agent shall have the right to cause the SPE to remove any successor Collection Agent and to take the other actions described in (a) above at any time as directed by the Committed Lenders in their sole discretion.

(c) If CG&E is removed as Collection Agent, CG&E and SPE shall, to the extent permitted by any applicable licensing agreement, transfer to the Administrative Agent or any successor servicer designated by the Administrative Agent all records, correspondence and documents (including computer software) requested by the Administrative Agent or such successor and to permit such persons to have access to, and to copy, all software used by CG&E or SPE in the collection, administration or monitoring of the Receivables. To the extent the consent of any third party is required for CG&E or SPE to transfer to the Administrative Agent or any successor servicer, or to permit the Administrative Agent or such successor servicer to have access to or to copy, any item described in the immediately preceding sentence, CG&E and SPE agrees to use its best efforts to assist the Administrative Agent or such successor servicer in obtaining such consent.

(d) At any time and from time to time, upon at least sixty (60) days prior written notice to the Administrative Agent from all of the Originators, the Originators may designate any Originator as a Collection Agent, as long as the long term senior secured indebtedness of such designee at the time of the giving of such notice has a rating or ratings of BBB- or higher issued by Standard & Poor's Ratings Group or Baa3 or higher issued by Moody's Investors Service, Inc. Such designee shall be deemed to be the Collection Agent as of the date specified in such notice, and from and after such date, the entity designated as Collection Agent immediately prior to the giving of such notice shall not incur any further liabilities under this Back-Stop Agreement and no rights of Collection Agent under this Back-Stop Agreement shall accrue in favor of the entity designated as Collection Agent immediately prior to the giving of such notice.

## ARTICLE IX

### REPRESENTATIONS AND WARRANTIES

*Section 9.1 Representations and Warranties of SPE and the Collection Agent.* SPE and the Collection Agent each makes, with respect to itself, the following representations and warranties to each Committed Lender, each Servicing Agent and the Administrative Agent:

(a) Collection Agent is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder. SPE is a limited liability company duly organized and validly existing under the laws of the jurisdiction of its organization and is duly qualified as a foreign limited liability company in each jurisdiction in which the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder.

(b) The execution, delivery and performance by SPE and the Collection Agent of the Loan Documents are within SPE's and the Collection Agent's respective corporate or limited liability company powers, as the case may be, have been duly authorized by all necessary corporate or limited liability company action, as the case may be, do not contravene (i) SPE's or the Collection Agent's respective charters or by-laws or operating agreement, as the case may be, or (ii) any law or any contractual restriction binding on or affecting SPE or the Collection Agent, and do not result in or require the creation of any lien (other than pursuant hereto) upon or with respect to any of its properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by SPE or the Collection Agent of the Loan Documents.



qualified. No Plan has incurred an "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code) whether or not waived. SPE or any ERISA Affiliate: (i) has not incurred or expects to incur any liability under Title IV of ERISA, with respect to any Plan, which could give rise to a lien in favor of the PBGC, other than liability for the payment of premiums, all of which have been timely paid when due in accordance with Section 4007 of ERISA, (ii) has not incurred or expects to incur any withdrawal liability, within the meaning of Section 4201 of ERISA, (iii) is not subject to any lien under Section 412(n) of the Code or Section 302(f) or 4068 of ERISA or arising out of any action brought under Section 4070 or 4301 of ERISA, or (iv) is not required to provide security to a Plan under Section 401(a)(29) of the Code. The PBGC has not instituted proceedings to terminate any Plan or to appoint a trustee or administrator of any such Plan and no circumstances exist that constitute grounds under Section 4042 of ERISA to commence any such proceedings.

## ARTICLE X

### COVENANTS

*Section 10.1. Affirmative Covenants of SPE and the Collection Agent.* Until the Collection Date, SPE and the Collection Agent (with respect to itself) will, unless each Lender has otherwise consented in writing:

(a) Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties and all Receivables and Collections.

(b) Maintain its corporate or limited liability company existence, as the case may be, in the jurisdiction of its incorporation or organization, as the case may be, and qualify and remain qualified in good standing as a foreign corporation or a foreign limited liability company, as the case may be, in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder; *provided* that the Collection Agent may merge or consolidate with or into any person if, immediately after giving effect to such transaction, (i) none of the events described in Section 8.3.1(a) (and no event or circumstance which, with the giving of notice or the passage of time, or both, would constitute such an event) has occurred and is continuing and (ii) the long-term senior secured debt of the Collection Agent or the entity surviving such merger or consolidation, as applicable, is rated BBB- or higher by Standard & Poor's Ratings Group and Baa3 or higher by Moody's Investors Service, Inc.

(c) At any reasonable time and upon reasonable prior notice, permit any Committed Lender, any Servicing Agent or their respective agents or representatives to visit and inspect any of its properties, to examine its books of account and other records and files relating to Receivables (including, without limitation, computer tapes and disks) and to discuss its affairs, business, finances and accounts with its officers.

(d) Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all records and other information, reasonably necessary or advisable for the collection of Receivables (including, without limitation, records adequate to permit, on a daily basis, a reasonable estimate of Receivables and all Collections and adjustments to Receivables).

(e) Cause each Originator, at its expense, to timely and fully perform and comply with all material provisions and covenants required to be observed by such Originator under the contracts related to the Receivables.

(f) Keep its place of business or chief executive office (if it has more than one place of business) and the office where it keeps the originals of its records concerning the Receivables at the address of SPE listed on the signature page hereto or, upon 30 days' prior written notice to the Administrative Agent, at any other location in a jurisdiction where all UCC financing statements required by the Administrative Agent have been filed.

(g) Cause each Originator to comply in all material respects with such Originator's credit and collection policy in regard to each Receivable and any contract related to such Receivable.

(h) Cause all Obligors to be instructed to cause all Collections to be deposited directly into a Lock-Box Account. If Collections are not remitted to a Lock-Box Account, SPE shall cause such Collections to be remitted to a Lock-Box Account within one Business Day after receipt thereof from an Obligor; *provided*, that SPE may fail to remit such Collections for a period longer than one Business Day but not to exceed 5 Business Days as long as, the aggregate amount of such Collections does not at any time exceed \$1,000,000.

(i) File and maintain in effect all filings, and take all such other actions, as may be necessary to protect the validity and perfection of the Interest and the security interest in Receivables.

(j) Cause each Plan to comply in all material respects with all applicable provisions of ERISA.

(k) Not (i) permit any accumulated funding deficiency (as defined in Section 302 of ERISA or Section 412 of the Code) to exist with respect to any Plan, whether or not waived, (ii) fail, or permit any ERISA Affiliate to fail, to pay any required installment or any other payment required under Section 412 of the Code with respect to any Plan on or before the due date for such installment or other payment, (iii) terminate, or permit any ERISA Affiliate to terminate, any Plan which would result in any liability of SPE or any ERISA Affiliate under Title IV of ERISA, (iv) take any action or fail to take any action, or permit any ERISA Affiliate to take any action or fail to take any action, with respect to any multiemployer plan (as defined in Section 3(37) of ERISA)

that will result in withdrawal liability of SPE or any ERISA Affiliate, or (v) amend, or permit any ERISA Affiliate to amend, a Plan resulting in an increase in liabilities such that SPE or any ERISA Affiliate is required to provide security to such Plan under Section 401(a)(29) of the Code.

(l) *Nonconsolidation.* SPE will operate in such a manner that the separate corporate existence of SPE would not be disregarded in the event of the bankruptcy or insolvency of any Originator or any SPE Affiliate and, without limiting the generality of the foregoing:

(i) SPE will not engage in any activity other than those activities expressly permitted under SPE's organizational documents and the Loan Documents, nor will SPE enter into any agreement other than this Second Tier Agreement, the other Loan Documents to which it is a party and, with the prior written consent of the Administrative Agent, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(ii) SPE will maintain a business office separate from that of each of SPE Entities and the Affiliates thereof (which office may be located within the physical premises of the Parent pursuant to an arms' length agreement);

(iii) SPE will cause the financial statements and books and records of SPE to reflect the separate corporate existence of SPE;

(iv) SPE will not, except as otherwise expressly permitted hereunder, under the other Loan Documents and under SPE's organizational documents, authorize any SPE Affiliate to (A) pay SPE's expenses, (B) guarantee SPE's obligations, or (C) advance funds to SPE for the payment of expenses or otherwise except that a SPE Affiliate may make contributions to the capital of SPE; and

(v) SPE will not act as agent for any SPE Affiliate, but instead will present itself to the public as a corporation separate from each such Person and independently engaged in the business of purchasing and financing Receivables.

(m) *Payments on Subordinated Notes.* Subject to the provisions of Section 9 of each Subordinated Note, SPE may make payments on the Subordinated Notes at any time from Collections not comprising part of the Interest in Collections. Subject to the provisions of Section 9 of the Subordinated Notes, SPE may make payments on the Subordinated Notes from Collections comprising part of the Interest in Collections, but only after paying (i) all amounts due to the Administrative Agent and each Lender hereunder on or prior to the immediately succeeding Settlement Date, if such payments on the Subordinated Notes are to be made prior to the occurrence of an Event of Termination (as defined in the Back-Stop Agreement) or, (ii) after paying all amounts owing (whether or not due) to the Administrative Agent and each Lender hereunder if such payments on the Subordinated Notes are to be made after the occurrence of an Event

of Termination. Any payment from Collections permitted pursuant to this Section 10.1(m) shall be free and clear of any Interest or any other security interest under the Second Tier Agreement in favor of Administrative Agent, either Servicing Agent or either Lender. Administrative Agent, each Servicing Agent and each Lender shall confirm the absence of such security interest from time to time promptly upon request by SPE or any Originator.

(n) Cause each Originator to furnish to the Servicing Agent as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of such Originator, balance sheets of such Originator and its subsidiaries as of the end of such quarter and statements of income and retained earnings of such Originator and its subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of such Originator; *provided* that, so long as such Originator is subject to the information reporting requirements of the Securities Exchange Act of 1934, delivery of such Originator's Form 10-Q as filed with the SEC within 15 days of such filing shall satisfy the requirements of this clause (n).

(o) Cause each Originator to furnish to the Servicing Agent as soon as available and in any event within 100 days after the end of each fiscal year of such Originator, a copy of the annual report for such year for such Originator and its subsidiaries, containing audited financial statements for such year certified by a nationally recognized public accounting firm; *provided* that, so long as such Originator is subject to the information reporting requirements of the Securities Exchange Act of 1934, delivery of such Originator's Form 10-K as filed with the SEC within 15 days of such filing shall satisfy the requirements of this clause (o).

(p) Cause each Originator to furnish to the Servicing Agent promptly after the sending or filing thereof, copies of all reports which such Originator sends to the holders of any of its securities or its creditors, and copies of all reports and registration statements which such Originator or any subsidiary files with the Securities and Exchange Commission or any national securities exchange; *provided* that, so long as such Originator is subject to the information reporting requirements of the Securities Exchange Act of 1934, delivery of such Originator's "current report," Form 8-K or similar form as filed with the SEC within 5 days of such filing shall satisfy the requirements of this clause (p).

*Section 10.2. Reporting Requirements of SPE.* Until the Collection Date, SPE will, unless each Lender shall otherwise consent in writing, furnish to each Servicing Agent (or, in the case of (f) below, assist the Collection Agent in furnishing to the Servicing Agents):

(a) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of SPE, balance sheets of SPE as of the end of such quarter and statements of income and retained earnings of SPE for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by an officer of SPE;

(b) as soon as available and in any event within 60 days after the end of each fiscal year of SPE, balance sheets of SPE as of the end of such fiscal year and statements of income and retained earnings of SPE for the period commencing at the end of the previous fiscal year and ending with the end of such current fiscal year, certified by an officer of SPE;

(c) promptly after the sending or filing thereof, copies of all reports which SPE sends to the holders of any of its securities or its creditors, and copies of all reports and registration statements, if any, which SPE files with the Securities and Exchange Commission or any national securities exchange;

(d) (i) promptly and in any event within 30 Business Days after SPE or any ERISA Affiliate knows or has reason to know that a "reportable event" (as defined in Section 4043 of ERISA) has occurred with respect to any Plan, a statement of the chief financial officer of SPE setting forth details as to such reportable event and the action that SPE or an ERISA Affiliate proposes to take with respect thereto, together with a copy of the notice of such reportable event, if any, given to the PBGC, the Internal Revenue Service or the Department of Labor; (ii) promptly and in any event within 10 Business Days after receipt thereof, a copy of any notice SPE or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such Plan; (iii) promptly and in any event within 10 Business Days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of the chief financial officer of SPE setting forth details as to such failure and the action that SPE or an ERISA Affiliate proposes to take with respect thereto, together with a copy of such notice given to the PBGC; and (iv) promptly and in any event within 30 Business Days after receipt thereof by SPE or any ERISA Affiliate from the sponsor of a multiemployer plan (as defined in Section 3(37) of ERISA), a copy of each notice received by SPE or any ERISA Affiliate concerning the imposition of withdrawal liability or a determination that a multiemployer plan is, or is expected to be, terminated or reorganized;

(e) such other information, documents, records or reports respecting the Receivables or the condition or operations, financial or otherwise, of SPE as the Administrative Agent, any Servicing Agent or any Committed Lender may from time to time reasonably request;

(f) the Receivables Activity Report as required under Section 7.4; and

(g) promptly and in any event within 5 Business Days after learning thereof, notice of any rate rebates which any Originator may be required by applicable regulatory authorities to provide to its Obligors and any pending proceedings concerning any such rate rebates.

*Section 10.3. Negative Covenants of SPE and the Collection Agent.* Until the Collection Date, neither SPE nor the Collection Agent will, unless each Lender has otherwise consented in writing:

(a) Except as provided herein, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any security interest, lien or encumbrance upon or with respect to Receivables, Collections or any Lock-Box Account or assign any right to receive income in respect thereof.

(b) Except pursuant to any Originator's budget/balanced billing payment plan or deferred arrangement payment plan, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any contract related thereto, in each case so as to extend the maturity thereof.

(c) Permit any Originator to make any change in the character of its business or its credit and collection policy which would, in either case, be reasonably likely to materially impair the collectibility of any Receivable unless such change is required by applicable regulatory authorities. Any such change will be promptly notified to each Lender and the Administrative Agent.

(d) Add or terminate any bank as a Lock-Box Bank from those listed on Exhibit H hereto, or make any change in its instructions to Obligor regarding payments to be made to SPE or payments to be made to any Lock-Box Bank, unless the Administrative Agent shall have received notice of such addition, termination or change and, with respect to the addition of any Lock-Box Bank, a Lock-Box Agreement in the form of Exhibit E executed by SPE and such Lock-Box Bank shall have been delivered to the Administrative Agent.

(e) Deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lock-Box Account cash or cash proceeds other than Collections.

(f) Use any proceeds of the Loans in any manner which would contravene  
(i) SPE's limited liability company agreement or limited liability company certificate or  
(ii) any law or any contractual restriction binding on or affecting SPE.

## ARTICLE XI

### INDEMNIFICATIONS; INCREASED COSTS

*Section 11.1. Indemnification by SPE of Committed Lenders, etc.* Without limiting any other rights which the Committed Lenders, the Administrative Agent and their respective officers, directors, employees, agents and affiliates may have hereunder or under applicable law, SPE, hereby indemnifies such parties and holds them harmless from and against any and all damages, losses, claims, liabilities and related costs and expenses (including attorneys' fees and disbursements) (excluding, however, any of the foregoing to the extent resulting from gross negligence or willful misconduct on the part of such indemnified party) incurred by any of them

arising out of or resulting from this Back-Stop Agreement or the Loan by the Committed Lenders of the Interest in Receivables, including, without limitation:

- (a) the reliance by the Administrative Agent or any Committed Lender on any representation or warranty made by SPE (or any of their officers) under or in connection with this Back-Stop Agreement or any Loan Document, which was incorrect in any material respect when made;
- (b) the failure by SPE to comply with any covenant set forth in this Back-Stop Agreement or any Rate Supplement;
- (c) the failure to timely file financing statements or other similar instruments or documents under the Uniform Commercial Code of any applicable jurisdiction or other applicable laws with respect to any Receivables, whether at the time of a Loan or otherwise;
- (d) except as expressly provided herein, the return or transfer by the Collection Agent of any portion of Collections to SPE or any other person for any reason whatsoever;
- (e) any dispute, claim, offset or defense of any Obligor to the payment of any Receivable (including a defense based on such Receivable's or the related contract's not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale, use, operation or ownership of or defects in, or breaches of warranties with respect to, the merchandise or services relating to such Receivable or the furnishing or failure to furnish such merchandise or services;
- (f) SPE's failure to pay when due any taxes (including sales, excise or personal property taxes) payable in connection with the Receivables.
- (g) the commingling of Collections with other funds of SPE;
- (h) the failure by SPE to comply in any material respect with any applicable law, rule or regulation with respect to any Receivable, or the nonconformity in any material respect of any Receivable with any such applicable law, rule or regulation;
- (i) the failure of any third party to which Collections are remitted to transfer such Collections to SPE; or
- (j) for any reason, the invoices representing previously Unbilled Receivables are less than the amount of such Unbilled Receivables included as Eligible Receivables hereunder.

If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Originator hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section which is permissible under applicable law.

*Section 11.2. Indemnification Due to Failure to Consummate Loan.* SPE will indemnify each Committed Lender on demand and hold it harmless against all costs (including, without limitation, breakage costs) and expenses resulting from any failure by SPE (i) to consummate a Loan after a Committed Lender has accepted an offer from SPE to make such Loan or (ii) to fulfill its obligations pursuant to Section 6.2, and each Committed Lender will indemnify SPE on demand and hold it harmless against all costs (including, without limitation, breakage costs) and expenses resulting from any failure by such Committed Lender (x) to pay the required Loan price after it has accepted an offer to Loan from SPE or (y) to fulfill its obligations pursuant to Section 6.2.

*Section 11.3. Funding Losses.* SPE shall reimburse each Committed Lender for any loss or expense caused by the SPE's reduction of Loan which results in the liquidation or reemployment of deposits or other funds acquired by such Committed Lender to finance Loans or maintain its Loan.

*Section 11.4. Yield Protection.* If due to either: (i) the introduction of or any change (other than laws or regulations with respect to income taxes) in or in the interpretation of any law or regulation by the governmental authority that promulgated or administers compliance with such law or regulation or (ii) the compliance by any Affected Person with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) (x) there shall be an increase in the cost to an Affected Person of making, funding or maintaining any Loan hereunder or (y) there shall be a reduction in the amount receivable with regard to any Eligible Receivable, or (z) an Affected Person shall be required to make a payment calculated by reference to the Receivables, SPE shall, from time to time, upon demand by such Affected Person by the submission of the certificate described below (with a copy to the Committed Lender), pay to such Affected Person (as a third party beneficiary, in the case of an Affected Person which is not also a party hereto), that portion of such increased costs incurred, amounts not received or receivable or required payment made or to be made, which such Affected Person reasonably determines is attributable to making, funding or maintaining any Loan hereunder Loan, purchasing or maintaining a Loan or any interest therein, as the case may be. In determining such amount, the Affected Person may use any reasonable averaging and attribution methods. The Affected Person shall submit to SPE a certificate as to such increased costs incurred, amounts not received or receivable or required payment made or to be made, which certificate shall set forth the basis for the calculation of the amount stated therein, and shall, in the absence of manifest error, be conclusive and binding for all purposes. In addition, each Affected Person shall use its reasonable efforts to notify SPE in the event such Affected Person determines that it is likely that such Affected Person will be making a demand for compensation under this Section 11.4, *provided*, that the failure of an Affected Person to provide such notice shall not relieve SPE of any of their obligations hereunder.

*Section 11.5. Increased Capital.* If either (i) the introduction of or any change in or in the interpretation of any law or regulation by the governmental authority that promulgated or



administers compliance with such law or regulation or (ii) compliance by any Affected Person with any guideline or request from any central bank, insurance regulatory authority or other governmental authority (whether or not having the force of law) affects the amount of capital required to be maintained by any Affected Person, and such Affected Person reasonably determines that the amount of such capital is increased by or based upon (x) the existence of such Affected Person's agreement to make or maintain Loans hereunder and other similar agreements or facilities, or (y) the existence of any agreement by Affected Persons to make purchases of or otherwise maintain a Loan or interests therein related to this Back-Stop Agreement or to the funding thereof and any other commitments of the same type, then, upon demand by such Affected Person by the submission of the certificate described below (with a copy to the Administrative Agent), SPE shall pay to such Affected Person (as a third party beneficiary, in the case of an Affected Person which is not also a party hereto) from time to time, as specified by such Affected Person, additional amounts sufficient to compensate such Affected Person in light of such circumstances, to the extent that such Affected Person reasonably determines such increase in capital to be allocable to the existence of its agreement described in clause (x) above or the commitments, of certain other Affected Persons described in clause (y) above. In determining such amount, the Affected Person may use any reasonable averaging and attribution methods. A certificate as to such amounts submitted to SPE by such Affected Person shall set forth the basis for the calculation of the amount stated therein, and shall, in the absence of manifest error, be conclusive and binding for all purposes. In addition, each Affected Person shall use its reasonable efforts to notify SPE in the event such Affected Person determines that it is likely that such Affected Person will be making a demand for compensation under this Section 11.5, *provided*, that the failure of an Affected Person to provide such notice shall not relieve SPE of any of their obligations hereunder.

*Section 11.6. Notices.* Each Committed Lender agrees to notify SPE upon its knowledge of a claim for which it intends to seek indemnification under Sections 11.1, 11.3, 11.4 or 11.5. SPE agrees to assist the parties indemnified under Sections 11.1, 11.3, 11.4 or 11.5 to the extent reasonably requested by them, in any action, suit or proceeding brought by or against them in connection with the indemnification granted herein.

## ARTICLE XII

### EVENTS OF TERMINATION

*Section 12.1. Events of Termination.* If any "Event of Termination" (as defined below) shall occur and be continuing, the Administrative Agent (at the direction of any Committed Lender) may declare the Termination Date to have occurred with respect to all Committed Lenders, whereupon the Termination Date shall immediately occur with respect to all Committed Lenders. Upon the occurrence of an event of the type described in subsection (d) of the definition of "Event of Termination," the Termination Date shall automatically occur with respect to all Committed Lenders. SPE waives any demand, protest or notice of any kind in connection with the occurrence of an Event of Termination.

Each of the following shall constitute an "Event of Termination":

(i) any Originator's long-term senior secured debt is rated less than BBB- by Standard & Poor's Ratings Group or less than Baa3 by Moody's Investors Service, Inc.;

(ii) SPE, any Originator or the Collection Agent (if it is an Originator or an affiliate thereof) shall breach in any material respect any representation or warranty or fail to perform or observe any material term, covenant or agreement applicable to it which is contained in this Second Tier Agreement or any other Loan Document;

(iii) SPE, any Originator or the Collection Agent (if it is an Originator or an Affiliate thereof) shall fail to pay when due any amount in respect of any debts or obligations (having, in the case of the Originators, an aggregate principal amount outstanding of at least (with respect to CG&E and ULH&P, collectively, or PSI, individually) \$25,000,000 and such failure shall continue after any applicable grace period, or any other event shall occur or condition shall exist in respect of such debts or obligations and shall continue after any applicable grace period, the effect of which is to cause such debts or obligations to become due and payable prior to the stated maturity thereof; *provided*, that the failure to pay a judgment, writ, warrant of attachment or similar process in the amount set forth above shall not give the Administrative Agent the rights described above unless it remains unvacated, unbonded or unstayed for a period of 30 days;

(iv) SPE, any Originator or the Collection Agent (if it is an Originator or an Affiliate thereof) is in bankruptcy, reorganization, insolvency or similar proceedings;

(v) on any Settlement Date, the Default Ratio is greater than 16%;

(vi) on any Settlement Date, the Average Maturity exceeds 65 days;

(vii) on any Settlement Date, the fraction (expressed as a percentage) obtained by dividing (A) the aggregate amount of Receivables which have been or should have been charged off in conformity with any Originator's standard credit and collection practices for the month immediately preceding such Settlement Date by (B) the aggregate Collections during the month immediately preceding such Settlement Date exceeds 2.0%;

(viii) the Parent fails to own directly or indirectly one hundred percent (100%) of the membership interests of SPE; or

(ix) the failure by the Collection Agent to deliver a satisfactory audit by a nationally recognized public accounting firm of the Receivables prior to

March 31, 2002 resulting in satisfactory findings, determined by each Servicing Agent in their sole discretion.

*Section 12.2. Termination Date.* Upon the occurrence of the Termination Date, the Committed Lenders shall have no further obligation to make Loans and the Administrative Agent shall have, in addition to the rights and remedies provided for in this Back-Stop Agreement, all rights and remedies under applicable law which shall be taken by the Servicing Agent at the direction of either Servicing Agent.

### ARTICLE XIII

#### MISCELLANEOUS

*Section 13.1. Amendments, Etc.* No amendment or waiver of, or consent to SPE's departure from, any provision of this Back-Stop Agreement shall be effective unless it is in writing and signed by the parties hereto and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

*Section 13.2. Notices, Etc.* All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telecopier, telegraphic, telex or cable communication) and sent, as to each party hereto, at its address set forth under its name on the signature pages hereto, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective when sent except that notices and communications to a Committed Lender pursuant to Section 6.2 shall be effective when received by such Committed Lender.

*Section 13.3. Payments Net of Taxes.* All payments by SPE payable under this Back-Stop Agreement or any Rate Supplement shall be made free and clear of, and without deduction for, any present or future income, stamp or other taxes, fees, duties, withholdings or other charges imposed by any taxing authority. If any withholding or deduction from any payment by SPE is required to be made, then SPE will:

- (a) pay to the relevant authority the full amount required to be withheld or deducted;
- (b) promptly forward to the applicable Committed Lender an official receipt or other satisfactory documentation evidencing such payment to such authority; and
- (c) pay to the applicable Committed Lender any additional amounts necessary to ensure that the net amount actually received by such Committed Lender will equal the full amount it would have received had no such withholding to deduction been required.

*Section 13.4. No Waiver; Remedies.* No failure on the part of any Committed Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other

right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

*Section 13.5. Binding Effect; Assignability.* This Back-Stop Agreement shall be binding upon and inure to the benefit of SPE, each Committed Lender and the Administrative Agent and their respective successors and assigns, except that SPE shall not have the right to assign any interest herein without the prior written consent of each Committed Lender. This Back-Stop Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Collection Date; *provided, however,* that rights and remedies of either Committed Lender under Article XI and Section 5.3 shall survive any termination of this Back-Stop Agreement.

*Section 13.6. Governing Law.* This Back-Stop Agreement and the Loan Documents shall be governed by, and construed in accordance with, the laws of the State of Illinois.

*Section 13.7. Construction of the Agreement.* This Back-Stop Agreement shall be interpreted to constitute a security agreement and the transactions effected hereby shall be deemed to constitute a secured financing by the Committed Lenders to SPE under applicable law. For such purpose, SPE hereby grants to the Administrative Agent for the benefit of the Committed Lender a continuing security interest in the Receivables and Collections to secure the obligations of SPE to the Committed Lenders hereunder.

*Section 13.8. Confidential.* Each Committed Lender and the Administrative Agent agrees to maintain the confidentiality of any information regarding SPE obtained in accordance with the terms of this Back-Stop Agreement which is not publicly available, but each Committed Lender and the Administrative Agent may reveal such information (a) to applicable rating agencies, and their respective attorneys, accountants, liquidity providers and credit providers, (b) as necessary or appropriate in connection with the administration or enforcement of this Back-Stop Agreement or the funding of Loans under this Back-Stop Agreement, (c) as required by law, government regulation, court proceeding or subpoena or (d) to bank regulatory agencies and examiners.

*Section 13.9. Execution in Counterparts.* This Back-Stop Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Back-Stop Agreement to be signed by their duly authorized officers as of the date set forth on the cover page of this Back-Stop Agreement.

CINERGY RECEIVABLES COMPANY LLC, as SPE

By: Charles J. Winger

Name: Charles J. Winger

Title: President

Address:

221 East Fourth Street

Suite 2500

Cincinnati, Ohio 45202

Attention: Bradley C. Arnett, Esq.

Telecopy: 513-287-3810

**BANK ONE, NA, as a Committed Lender**

By:   
Name: Leo Loughead  
Title: Authorized Signatory

Address:

**Asset Backed Finance  
Suite IL1-0596, 21<sup>st</sup> Floor  
Chicago, Illinois 60670-0596  
Attention: Credit Manager  
Telecopy: 312-732-4487**

**ABN AMRO BANK N.V., as a Committed  
Lender and as Administrative Agent**

By: Thomas J. Educate  
Name: **THOMAS J. EDUCATE**  
Title: **SENIOR VICE PRESIDENT**

By: W. Robert Poff  
Name: **W. ROBERT POFF**  
Title: **SENIOR VICE PRESIDENT**

**Address:**

**135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention: Thomas Educate  
Telecopy: 312-904-4028**

THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By: Wendy J. Aumiller

Name: Wendy Aumiller

Title: Acting Treasurer

Address:

139 East Fourth Street

Cincinnati, Ohio 45202

Attention: Treasury Department

Telecopy: 513-287-2749



**EXHIBIT A**

**SPECIAL CONCENTRATION LIMITS**

OBLIGOR	LIMIT
Dayton Power & Light Co.	\$15,000,000
Columbus Southern Power Co.	\$10,000,000
Indiana Municipal Power Agency	\$15,000,000

**EXHIBIT B**

**FORM OF NOTICE FOR INITIAL  
AND INCREMENTAL LOANS**

[Name and Address of Applicable Committed Lender]

ABN AMRO Bank N.V.,  
as Administrative Agent  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention: Asset Securitization Group

Re: Receivables Loan Agreement dated as of February 14, 2002, among Cinergy Receivables Company LLC ("*SPE*"), Bank One, NA ("*Bank One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender and as the Administrative Agent (the "*Agreement*").

Gentlemen:

This Notice is delivered to you pursuant to Section 6.2(a) of the Agreement. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used herein will have the respective meanings assigned to them in the Agreement.

SPE hereby request that [the Initial] [an Incremental] Loan be made by [the Applicable Committed Lender] on \_\_\_\_\_, 20\_\_ in the amount of \$\_\_\_\_\_.

SPE hereby certifies and warrants that on the date on which the Loan requested hereby is made (and SPE, by accepting the payment of the Loan price relating to such Loan, will be deemed to have certified that), (i) the representations and warranties of SPE contained in Article IX of the Agreement are correct on and as of the date of such Loan as though made on and as of such date and (ii) SPE is in compliance with the covenants set forth in the Agreement.

SPE agrees that, if, prior to the time that the Loan requested hereby is made, any matter certified to herein will not be true and correct at such time as if then made, it will immediately so notify [the Applicable Committed Lender].

Please wire transfer the proceeds of the requested Loan to the account(s) of the following persons at the bank(s) indicated below, respectively:

Amount to be \_\_\_\_\_ Person to be Paid \_\_\_\_\_ Name, Address, etc.

Transferred                      Name                      Account No.                      of Transferee Bank

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

The undersigned has caused this notice to be executed and delivered, and the certifications and warranties contained herein to be made, by its duly authorized officer this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE CINCINNATI GAS & ELECTRIC COMPANY,  
individually and as agent for CENERGY  
RECEIVABLES COMPANY LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C-1**

**FORM OF NOTICE OF ELECTION  
NOT TO MAKE REINVESTMENT LOANS**

[For Notice Given by SPE:]

Bank One, NA,  
as a Committed Lender

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

ABN AMRO Bank N.V.,  
as a Committed Lender and  
as Administrative Agent  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention:

[For Notice Given by a Committed Lender:]

The Cincinnati Gas & Electric Company,  
individually and as agent for  
Cinergy Receivables Company LLC  
Atrium II, 221 East Fourth Street  
Cincinnati, Ohio 45202  
Attention:

[Name and Address of other Committed Lender]

Re: Receivables Loan Agreement dated as of February 14, 2002, among  
Cinergy Receivables Company LLC ("*SPE*"), Bank One, NA ("*Bank  
One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN  
AMRO*"), as a Committed Lender and as the Administrative Agent (the  
"*Agreement*").

Gentlemen:

This notice is delivered to you pursuant to Section 6.2(b) of the Agreement. Unless  
otherwise defined herein or the context otherwise requires, all capitalized terms used herein will  
have the respective meanings assigned to them in the Agreement.

The undersigned hereby notifies you that it has elected not to apply Collections toward the making of Reinvestment Loans by [the Applicable Committed Lender] commencing on \_\_\_\_\_, 20\_\_\_\_. The amount to which the Loan of [the Applicable Committed Lender] shall be reduced before Reinvestment Loans by [the Applicable Committed Lender] will resume is \$\_\_\_\_\_.

This notice has been executed and delivered by a duly authorized officer of the undersigned this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE CINCINNATI GAS & ELECTRIC COMPANY,  
individually and as agent CINERGY  
RECEIVABLES COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

or

[APPLICABLE COMMITTED LENDER], as a  
Committed Lender

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT C-2**

**FORM OF NOTICE OF PAYMENT TO REDUCE LOAN**

[Name of Applicable Committed Lender]  
[Address]

Re: Receivables Loan Agreement dated as of February 14, 2002, among Cinergy Receivables Company LLC ("*SPE*"), Bank One, NA ("*Bank One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender and as the Administrative Agent (the "*Agreement*").

Gentlemen:

This notice is delivered to you pursuant to Section 6.2(c) of the Agreement. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used herein will have the respective meanings assigned to them in the Agreement.

The undersigned hereby notifies you that, pursuant to Section 6.2(c) of the Agreement, SPE desires to reduce the dollar amount of the Applicable Committed Lender's Loan by paying the sum of \$\_\_\_\_\_ directly to you. This payment will be made on the Settlement Date of \_\_\_\_\_, 20\_\_.

This notice has been executed and delivered by a duly authorized officer of the undersigned this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE CINCINNATI GAS & ELECTRIC COMPANY,  
individually and as agent for CINERGY  
RECEIVABLES COMPANY LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D**

**LOCATION OF RECORDS AND CHIEF EXECUTIVE OFFICES**

SPE

1. Location of Chief Executive Office:

Atrium II  
221 East Fourth Street  
Cincinnati, Ohio 45202

2. Location of Book and Records:

Atrium II  
221 East Fourth Street  
Cincinnati, Ohio 45202

EXHIBIT E

FORM OF NOTICE TO LOCK-BOX BANK

\_\_\_\_\_, 20\_\_

[Name of Lock-Box Bank]  
[Address]

Gentlemen:

Pursuant to that certain letter agreement among us, dated February 14, 2002 (the "Agreement"), we hereby notify you that The Cincinnati Gas & Electric Company, PSI Energy, Inc. and The Union Light, Heat and Power Company (collectively, the "Cinergy Entities") have transferred exclusive ownership and control of their lock-box account nos. \_\_\_\_\_ maintained with you (the "Lock-Box Accounts") to ABN AMRO Bank N.V., as administrative agent (the "Administrative Agent") under the Receivables Loan Agreements described in this Back-Stop Agreement.

Attached hereto is an incumbency certificate establishing that the person signing below on behalf of the Administrative Agent is duly authorized, and indicating the names of other officers of the Administrative Agent who are authorized, to give you instructions pursuant to the Agreement.

By signing the Agreement, the Cinergy Entities have agreed that, pursuant to the terms of the Agreement, the Administrative Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lock-Box Accounts, including, without limitation, the right to specify when payments are to be made out of or in connection with the Lock-Box Accounts.

Very truly yours,

ABN AMRO BANK N.V., as Administrative  
Agent

By \_\_\_\_\_  
Authorized Signatory

Address:  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603



EXHIBIT F

FORM OF LOCK-BOX AGREEMENT

\_\_\_\_\_, 20\_\_\_\_

[Name and Address of Lock-Box  
Bank]

Gentlemen:

We refer to lock-box account nos. \_\_\_\_\_ maintained with you (the "*Lock-Box Accounts*") by The Cincinnati Gas & Electric Company, PSI Energy, Inc. and The Union Light, Heat and Power Company (sometimes referred to collectively as the "*Cinergy Entities*"). We have entered into certain agreements with Jupiter Securitization Corporation ("*JSC*"), Windmill Funding Corporation ("*Windmill*"), Bank One, NA ("*Bank One*") and ABN AMRO Bank N.V. ("*ABN AMRO*") which require the execution and delivery of this agreement by you.

By signing this agreement, you agree that on and after delivery to you of a letter in the form of Attachment A hereto (the "*Letter*"), the Lock-Box Accounts shall, on the terms provided herein, be maintained by you for the benefit of, and the amounts from time to time therein held by you as agent for ABN AMRO, as administrative agent (the "*Administrative Agent*") under the Receivables Loan Agreement dated February 14, 2002 among SPE, Cincinnati Gas & Electric Company, as Collection Agent (the "*Collection Agent*"), JSC, Windmill, ABN AMRO and Bank One and under the Receivables Loan Agreement dated February 14, 2002 among SPE, the Collection Agents, Bank One and ABN AMRO. Until the time of delivery of the Letter, the Lock-Box Accounts are to be processed in accordance with the standard procedures currently in effect. All customary service charges and fees with respect to the Lock-Box Accounts shall be payable by the Cinergy Entities as currently arranged or, after delivery of the Letter to you, by debit to the Lock-Box Accounts as described below.

Upon delivery to you of the Letter, the Lock-Box Accounts shall be under the sole dominion and control of the Administrative Agent and all instructions thereafter regarding the Lock-Box Accounts shall be delivered only by the Administrative Agent.

Instructions from the Administrative Agent may include, but shall not be limited to:

(a) Notice of the establishment of a concentration account into which all moneys collected in the Lock-Box Accounts shall thereafter be transferred. Such transfers will be in accordance with your availability of funds procedures applicable to the Cinergy Entities and will encompass all collected deposits less any deductions for returned items. Transfers between the Lock-Box Accounts and the concentration account may be carried out using either Fed wire transfers or ACH (Automated Clearing House) entries.

(b) A requirement that duplicate monthly bank statements for the Lock-Box Accounts and the concentration account be mailed directly to an address specified by Administrative Agent.

By signing this agreement, you agree that you shall not make any charges or debits to the Lock-Box Accounts, or exercise any right of set-off or banker's lien with respect thereto except as provided herein. The Cinergy Entities and the Administrative Agent agree that you may debit the Lock-Box Accounts for any items deposited in the Lock-Box Accounts which may be returned or otherwise not collected, and, after delivery to you of the Letter, for your standard and customary fees in connection with the maintenance of the Lock-Box Accounts.

Any notice provided for in this agreement may be personally delivered, sent by facsimile or U.S. mail, certified return receipt requested, to the address or facsimile number set forth under the signature to this agreement of the party to be notified (or to such other address or facsimile number as shall be designated in writing by such party to all other parties to this agreement). All notices shall be effective upon receipt. Notice from the Administrative Agent will be signed by an authorized signatory thereof as confirmed in the incumbency certificate sent to you together with the Letter.

You may terminate this agreement only upon thirty day' prior written notice to that effect to the Administrative Agent. After such termination, incoming mail addressed to any closed lock-box accounts shall be forwarded in accordance with the Administrative Agent's instructions. This agreement may also be terminated upon written notice to you by the Administrative Agent. Except as otherwise provided in this paragraph, this agreement may not be terminated or amended without the prior written consent of the Administrative Agent.

Very truly yours,

THE CINCINNATI GAS & ELECTRIC COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address:

139 East Fourth Street  
Cincinnati, Ohio 45202  
Attention: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

PSI ENERGY, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address:

1000 East Main Street  
Plainfield, Indiana 46168  
Attention:  
Telecopy:

THE UNION LIGHT, HEAT AND POWER COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address:

139 East Fourth Street  
Cincinnati, Ohio 45202  
Attention: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

Agreed to:

ABN AMRO BANK N.V.,  
as Administrative Agent

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Address:

135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603  
Attention: Thomas Educate

[LOCK-BOX BANK]

By: \_\_\_\_\_  
Title:

Address:

**ATTACHMENT A**  
**TO FORM OF LOCK-BOX AGREEMENT**  
**FORM OF NOTICE TO LOCK-BOX BANK**

\_\_\_\_\_, 20\_\_

[Name of Lock-Box Bank]  
[Address]

Gentlemen:

Pursuant to that certain letter agreement among us, dated \_\_\_\_\_, 2002 (the "Agreement"), we hereby notify you that The Cincinnati Gas & Electric Company, PSI Energy, Inc. and The Union Light, Heat and Power Company (collectively, the "Cinergy Entities") have transferred exclusive ownership and control of their lock-box account nos. \_\_\_\_\_ maintained with you (the "Lock-Box Accounts") to ABN AMRO Bank N.V., as administrative agent (the "Administrative Agent") under the Receivables Loan Agreements described in the Agreement.

Attached hereto is an incumbency certificate establishing that the person signing below on behalf of the Administrative Agent is duly authorized, and indicating the names of other officers of the Administrative Agent who are authorized, to give you instructions pursuant to the Agreement.

By signing the Agreement, the Cinergy Entities have agreed that, pursuant to the terms of the Agreement, the Administrative Agent shall be irrevocably entitled, to exercise any and all rights in respect of or in connection with the Lock-Box Accounts, including, without limitation, the right to specify when payments are to be made out of or in connection with the Lock-Box Accounts.

Very truly yours,

ABN AMRO BANK N.V., as Administrative  
Agent

By \_\_\_\_\_  
Authorized Signatory

Address:  
135 South LaSalle Street  
Suite 725  
Chicago, Illinois 60603

**EXHIBIT G**

**FORM OF RECEIVABLES ACTIVITY REPORT**

**EXHIBIT H**

**FORM OF LEGAL OPINION OF SPE'S COUNSEL**

**EXHIBIT I**

**LIST OF LOCK-BOX ACCOUNTS**

Fifth Third Bank  
P.O. Box 740263  
Cincinnati, OH 45274-0263  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740444  
Cincinnati, OH 45274-0444  
Account name: Cincinnati Gas &  
Electric Company  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 740282  
Cincinnati, OH 45274-0282  
Account name: The Union Light,  
Heat & Power Company  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631610  
Cincinnati, OH 45263-1610  
Account name: Cincinnati Gas & Electric Co.  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 631611  
Cincinnati, OH 45263-1611  
Account name: Union Light, Heat & Power Co.  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631612  
Cincinnati, OH 45263-1612  
Account name: PSI Energy  
Account number: 726-56113



ANNEX I

DEFINITIONS

"*Affected Person*" means each of the Committed Lenders and any of their respective Affiliates, successors and assigns.

"*Aggregate Loan Amount*" means the aggregate loan amount of all Committed Lenders.

"*Carrying Costs*" with respect to each Committed Lender, shall have the meaning assigned to such term in such Committed Lender's Rate Supplement.

"*Collection Agent Fee*" means, for any Settlement Date the fee payable solely out of Collections by the Committed Lenders to the Collection Agent on such Settlement Date, and shall be an amount equal to the following:

$$0.05\% \times RG$$

where:  $RG =$  Receivables generated during the Settlement Period preceding such Settlement Date.

"*Collection Date*" means the date on which the Committed Lenders have received the amounts set forth below and after which no further Loans are to be made:

- (i) the Aggregate Loan Amount;
- (ii) as further provided in Section 7.2.2(b)(i), the accrued and unpaid portion of the Carrying Costs payable to each Committed Lender; and
- (iii) all other amounts payable to the Committed Lenders under this Back-Stop Agreement and each Committed Lender's Rate Supplement.

"*Commencement Date*" means the date on which the "*Collection Date*" shall occur under the Second Tier Agreement (it being understood, however, that SPE may use the proceeds from an Initial Loan hereunder to cause such Collection Date to occur under the Second Tier Agreement).

"*Default Ratio*" means, as of any date of determination, a fraction, expressed as a percentage, the numerator of which is the sum, without duplication, of (i) the aggregate outstanding balance of all Receivables that have been or, to the best of the applicable SPE's knowledge, should have been charged-off in conformity with the applicable SPE's standard credit and collection practices and policies during the month most recently completed and (ii) the aggregate outstanding balance of all Receivables that were unpaid for more than 90 days past the

applicable invoice date as of the end of the month most recently completed, and the denominator of which is the aggregate outstanding, balance of all Receivables (excluding Unbilled Receivables) on the last Business Day of the month most recently completed.

*"Event of Termination"* has the meaning assigned to that term in Section 12.1.

*"Incremental Loan"* means any Loan (other than an Initial Loan) which causes the amount of the Loan of any Committed Lender to increase.

*"Initial Loan"* means, with respect to any Committed Lender, the first Loan by such Committed Lender under this Back-Stop Agreement.

*"Interest"* means, at any time, the undivided percentage interest of the Committed Lenders in the Receivables and related Collections as described in Section 3.1(a).

*"Loan"* means any advance of funds by a Committed Lender to SPE under this Back-Stop Agreement, and includes any Initial Loan, any Incremental Loan and any Reinvestment Loan.

*"Loan Amount"* means, for each Committed Lender, the sum (without duplication) of:

(i) the aggregate amount of cash paid by such Committed Lender to SPE for an Initial Loan and all Incremental Loans, less the amount of all Collections received and applied with respect to such Committed Lender pursuant to Sections 6.2(b) and 7.2.2(b)(iii)(A) and of all payments made by SPE and applied with respect to such Committed Lender under Sections 3.3, 6.2(c) and 7.3; and

(ii) any amounts owed by SPE to such Committed Lender under Article XI.

*"Loan Percentage"* means, with respect to each Committed Lender at any time, such Committed Lender's undivided percentage interest in the Interest at such time and shall be calculated as a fraction (expressed as a percentage) having as numerator such Committed Lender's Loan at such time, and as a denominator, the Aggregate Loan Amount at such time.

*"Maximum Aggregate Loan Amount"* with respect to each Committed Lender shall be the maximum amount of such Committed Lender's outstanding Loan hereunder at any time as set forth in such Committed Lender's Rate Supplement.

*"Maximum Loan Amount"* means the sum of all Committed Lender's Maximum Loan Amount.

*"Rate Supplement"* with respect to each Committed Lender, means an agreement between SPE and such Committed Lender, setting forth, among other things, the Maximum Loan Amount for such Committed Lender, the methods of calculating the interest accruing on such Committed Lender's Loan and certain fees payable to such Committed Lender in connection

with this Back-Stop Agreement, as any such agreement may be amended, modified or supplemented from time to time.

*"Receivables Activity Report"* means the report in the form of Exhibit G to this Back-Stop Agreement to be provided by the Collection Agent in accordance with Section 7.4 of this Back-Stop Agreement.

*"Settlement Date"* means any date, as described in Section 7.1 of this Back-Stop Agreement, on which the Collection Agent is required to remit specified payments to the SPE and the Committed Lenders.

*"Settlement Period"* means the period from (and including) a Settlement Date (or, in the case of the initial Settlement Period under this Back-Stop Agreement, from the date of the first Loan under this Back-Stop Agreement) to (but excluding) the immediately succeeding Settlement Date.

*"Special Concentration Limit"* means, with respect to any Obligor listed on Exhibit A (together with its affiliates and subsidiaries), the amount indicated opposite the name of such Obligor; *provided*, that (i) the Special Concentration Limit for any such Obligor may be reduced by any Committed Lender, in its discretion based upon a good faith determination by such Committed Lender, following consultation with the Collection Agent, that there has been an adverse change in the credit of such Obligor, by sending written notice thereof to the Administrative Agent and SPE, (ii) the special concentration Limit for any such Obligor may be increased by the Administrative Agent with the prior consent of each Committed Lender (given by each Committed Lender in its discretion), and (iii) additional names of Obligors may be added to Exhibit A with the prior consent of each Committed Lender (given by each Committed Lender in its discretion), through the delivery by the Administrative Agent to SPE of an amended Exhibit A.

*"Standard Concentration Limit"* means, with respect to all of the Receivables owing from a single Obligor (except for an Obligor listed on Exhibit A), together with Receivables owing from its affiliates or subsidiaries, an amount equal to 2.0% of the Aggregate Loan Amount; *provided*, that (i) the Standard Concentration Limit for any such Obligor may be reduced by any Committed Lender, in its discretion based upon a good faith determination by such Committed Lender, following consultation with the Collection Agent, that there has been an adverse change in the credit of such Obligor, by sending written notice thereof to the Administrative Agent and SPE, and (ii) the Standard Concentration Limit for any such Obligor may be increased by the Administrative Agent with the prior consent of each Committed Lender (given by each Committed Lender in its discretion), through the delivery of a notice by the Administrative Agent to SPE.

*"Termination Date"* means, with respect to any Committed Lender, the earlier of (a) February 13, 2003, as such date may be extended with respect to such Committed Lender pursuant to Section 2.2, (b) the date that an Event of Termination described in Section 12.1(d) occurs and (c) the date designated by either Servicing Agent after the occurrence of any other Event of Termination.

**FIRST AMENDMENT**  
**Dated as of February 13, 2003**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS AMENDMENT (the "*Amendment*"), dated as of February 13, 2003, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Bank One, NA ("*Bank One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Leader (Bank One and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

(a) The date "February 13, 2003" appearing in clause (a) of the defined term "*Termination Date*" appearing in Annex I of the Loan Agreement is hereby deleted and replaced with the date "April 30, 2003".

*Section 2.* Section 1 of this Amendment shall become effective only once the Administrative Agent has received, in form and substance satisfactory to the Administrative Agent, all documents and certificates as the Administrative Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Administrative Agent.

*Section 3.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 4.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.


*Section 5.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.



CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Title: Treasurer

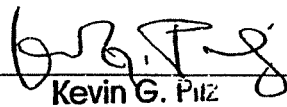
THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent


By:   
Title: Treasurer

BANK ONE, NA, as a Committed Lender

By:   
Title: Managing Director 

ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By:   
Title: Kevin G. Pitz  
Vice President

By:   
Title: Patricia M. Luken  
Group Vice President



**SECOND AMENDMENT**  
**Dated as of April 30, 2003**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS SECOND AMENDMENT (the "*Amendment*"), dated as of April 30, 2003, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Bank One, NA ("*Bank One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender (Bank One and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

The date "*April 30, 2003*" appearing in clause (a) of the defined term "*Termination Date*" appearing in Annex I of the Loan Agreement is hereby deleted and replaced with the date "*May 30, 2003*".

*Section 2.* Section 1 of this Amendment shall become effective only once the Administrative Agent has received, in form and substance satisfactory to the Administrative Agent, all documents and certificates as the Administrative Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Administrative Agent.

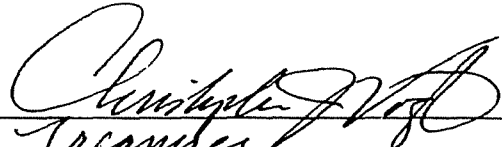
*Section 3.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 4.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

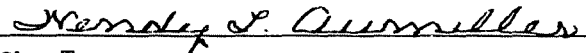
*Section 5.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Title: Treasurer

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By:   
Title: Treasurer

BANK ONE, NA, as a Committed Lender

By:   
**Leo Loughhead**  
**Managing Director, Capital Markets**

ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By: Kevin G. Pilz  
Title: Vice President

By: Thomas J. Hunt  
Title: Sup

**THIRD AMENDMENT**  
**Dated as of May 30, 2003**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS THIRD AMENDMENT (the "*Amendment*"), dated as of May 30, 2003, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Bank One, NA ("*Bank One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender (Bank One and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

- (a) The following sentence is hereby added to the end of Section 13.8:

Notwithstanding any provision in this agreement or any Loan Document to the contrary, each party to the transaction contemplated by the Loan Document (and each employee, representative, or other agent of each party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to the party relating to such tax treatment and tax structure.

- (b) The following Section is hereby added to the Loan Agreement:

*Section 13.10. Excess Funds.* Notwithstanding any provisions contained in this Agreement to the contrary, Windmill shall not, and shall not be obligated to, pay any amount pursuant to

this Agreement unless (i) Windmill has received funds which may be used to make such payment and which funds are not required to repay its commercial paper notes when due and (ii) after giving effect to such payment, either (x) Windmill could issue commercial paper notes to refinance all of its outstanding commercial paper notes (assuming such outstanding commercial paper notes matured at such time) in accordance with the program documents governing Windmill's securitization program or (y) all of Windmill's commercial paper notes are paid in full. Any amount which Windmill does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in §101 of the United States Bankruptcy Code) against or corporate obligation of Windmill for any such insufficiency unless and until Windmill satisfies the provisions of clauses (i) and (ii) above. This Section shall survive the termination of this Agreement.

(c) The date "*May 30, 2003*" appearing in clause (a) of the defined term "*Termination Date*" appearing in Annex I of the Loan Agreement is hereby deleted and replaced with the date "*April 29, 2004*".

(d) Exhibit I to the Loan Agreement is hereby amended in its entirety to be and to read as set forth on Exhibit I attached hereto.

*Section 2.* Section 1 of this Amendment shall become effective only once the Administrative Agent has received (i) executed counterparts of the Fourth Amendment Receivables Loan Agreement and (ii) in form and substance satisfactory to the Administrative Agent, all documents and certificates as the Administrative Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Administrative Agent.

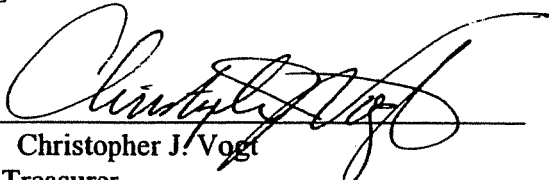
*Section 3.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 4.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.


*Section 5.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: Treasurer

THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer



BANK ONE, NA, as a Committed Lender

By: Leo Laughlin  
Title: Managing Director, Capital Markets



**EXHIBIT I**

**LIST OF LOCK-BOX ACCOUNTS**

Fifth Third Bank  
P.O. Box 740263  
Cincinnati, OH 45274-0263  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740399  
Cincinnati, OH 45274-0399  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740124  
Cincinnati, OH 45274-0124  
Account name: Cincinnati Gas &  
Electric Company  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 740320  
Cincinnati, OH 45274-0320  
Account name: The Union Light,  
Heat & Power Company  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631610  
Cincinnati, OH 45263-1610  
Account name: Cincinnati Gas & Electric Co.  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 631611  
Cincinnati, OH 45263-1611  
Account name: Union Light, Heat & Power Co.  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631612 0  
Cincinnati, OH 45263-1612  
Account name: PSI Energy  
Account number: 726-56113

Bank One, NA  
P.O. Box 663687 N  
Indianapolis, IN 46266-3687  
Account name: Cinergy/PSI  
Account number: 192601276

**FOURTH AMENDMENT**  
**Dated as of April 29, 2004**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS FOURTH AMENDMENT (the "*Amendment*"), dated as of April 29, 2004, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), Bank One, NA ("*Bank One*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender (Bank One and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

Reference is hereby made to that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Loan Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Upon execution by the parties hereto in the space provided for that purpose below, the Loan Agreement shall be, and it hereby is, amended as follows:

(a) The date "*April 29, 2004*" appearing in clause (a) of the defined term "*Termination Date*" appearing in Annex I of the Loan Agreement is hereby deleted and replaced with the date "*April 28, 2005*".

(b) The defined term "*Special Concentration Limit*" is hereby amended in its entirety and as so amended shall read as follows:

*"Special Concentration Limit"* means, with respect to any Obligor listed on Exhibit A (together with its affiliates and subsidiaries), the percentage of the Aggregate Loan Amount indicated opposite the name of such Obligor; *provided*, that (i) the Special Concentration Limit for any such Obligor may be reduced by any Committed Lender, in its discretion based upon a good faith determination by such Committed Lender, following consultation with the Collection Agent, that there has been an adverse change in the credit of such Obligor, by sending written notice thereof to the Administrative Agent and SPE, (ii) the special concentration Limit for any such Obligor may be increased by the Administrative

Agent with the prior consent of each Committed Lender (given by each Committed Lender in its discretion), and (iii) additional names of Obligors may be added to Exhibit A with the prior consent of each Committed Lender (given by each Committed Lender in its discretion), through the delivery by the Administrative Agent to SPE of an amended Exhibit A.

(c) Exhibit A to the Loan Agreement is hereby amended in its entirety and as so amended shall read as set forth on Exhibit A attached hereto.

(d) Exhibit I to the Loan Agreement is hereby amended in its entirety and as so amended shall read as set forth on Exhibit I attached hereto.

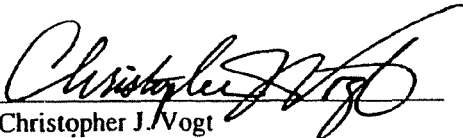
*Section 2.* The Loan Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Loan Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Loan Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 3.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.


*Section 4.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY I.L.C., as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: Treasurer

THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

BANK ONE, NA, as a Committed Lender


By:   
Title: \_\_\_\_\_

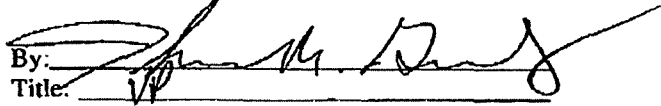
**Leo Loughead**  
**Managing Director, Capital Markets**



Case No. 2006-00172  
KyPSC-DR-01-032 (D)  
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ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By:   
Title: KEVIN PILZ  
VICE PRESIDENT

By:   
Title: VP

**EXHIBIT A**

**SPECIAL CONCENTRATION LIMITS**

OBLIGOR	LIMIT
Dayton Power & Light Co.	2.0%
Columbus Southern Power Co.	3.5%
Indiana Municipal Power Agency	3.5%

**EXHIBIT I**

**LIST OF LOCK-BOX ACCOUNTS**

Fifth Third Bank  
P.O. Box 740263  
Cincinnati, OH 45274-0263  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740399  
Cincinnati, OH 45274-0399  
Account name: PSI Energy  
Account number: 726-56113

Fifth Third Bank  
P.O. Box 740124  
Cincinnati, OH 45274-0124  
Account name: Cincinnati Gas &  
Electric Company  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 740320  
Cincinnati, OH 45274-0320  
Account name: The Union Light,  
Heat & Power Company  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631610  
Cincinnati, OH 45263-1610  
Account name: Cincinnati Gas & Electric Co.  
Account number: 790-00918

Fifth Third Bank  
P.O. Box 631611  
Cincinnati, OH 45263-1611  
Account name: Union Light, Heat & Power Co.  
Account number: 790-00926

Fifth Third Bank  
P.O. Box 631612  
Cincinnati, OH 45263-1612  
Account name: PSI Energy  
Account number: 726-56113

Bank One, NA  
P.O. Box 663687  
Indianapolis, IN 46266-3687  
Account name: Cinergy/PSI  
Account number: 192601276

Huntington National Bank  
105 East 4<sup>th</sup> Street  
Cincinnati, OH 45202  
Account name: Cincinnati Gas & Electric Company  
Account number: 1659603132

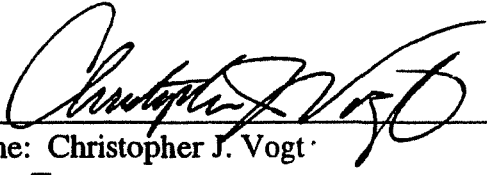
Huntington National Bank  
105 East 4<sup>th</sup> Street  
Cincinnati, OH 45202  
Account name: The Union Light, Heat & Power Company  
Account number: 1659603145

Huntington National Bank  
105 East 4<sup>th</sup> Street  
Cincinnati, OH 45202  
Account name: PSI Energy  
Account number: 1659603051

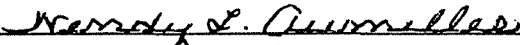
*Section 4.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: Treasurer

THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

JPMORGAN CHASE BANK, NA, as a Committed  
Lender

By:   
Title: Leo Loughead  
Managing Director

ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By: Thomas J. Christ  
Title: SVP

By: Shirley M. Davis  
Title: VP



**SIXTH AMENDMENT**  
**Dated as of May 27, 2005**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS SIXTH AMENDMENT (the "*Amendment*"), dated as of May 27, 2005, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), JPMorgan Chase Bank, NA (as successor by merger to Bank One, NA) ("*JPMorgan*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender (JPMorgan and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

This Amendment amends that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Back-Stop Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Back-Stop Agreement or the other Loan Documents (as defined in the Back-Stop Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Upon execution by the parties hereto in the space provided for that purpose below, the Back-Stop Agreement shall be, and it hereby is, amended as follows:

(a) Clause (i) of Section 12.1 of the Loan Agreement is hereby amended in its entirety and as so amended shall read as follows:

“(i) Reserved;”

(b) The date "*May 27, 2005*" appearing in clause (a) of the defined term "*Termination Date*" appearing in Annex I of the Back-Stop Agreement is hereby deleted and replaced with the date "*April 26, 2006*".

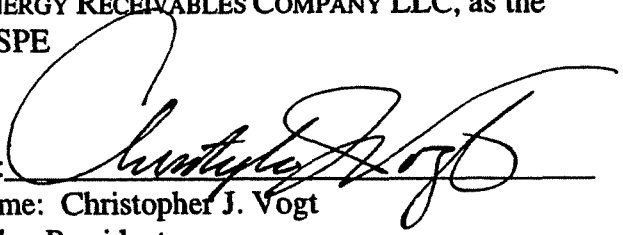
*Section 2.* The Back-Stop Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Back-Stop Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Back-Stop Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 3.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.


*Section 4.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: President

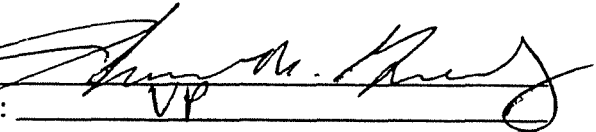
THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer

JPMORGAN CHASE BANK, NA, as a Committed  
Lender

By:   
Title: \_\_\_\_\_  
**Leo Loughead**  
**Managing Director**

ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By:   
Title: \_\_\_\_\_

By:   
Title: KEVIN J. HAYES  
DIRECTOR

**SEVENTH AMENDMENT**  
**Dated as of January 9, 2006**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS SEVENTH AMENDMENT (the "*Amendment*"), dated as of January 9, 2006, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), JPMorgan Chase Bank, National Association (as successor by merger to Bank One, NA) ("*JPMorgan*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender (JPMorgan and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

This Amendment amends that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Back-Stop Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Back-Stop Agreement or the other Loan Documents (as defined in the Back-Stop Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Upon execution by the parties hereto in the space provided for that purpose below, the Back-Stop Agreement shall be, and it hereby is, amended as follows:

Clause (viii) of Section 12.1 of the Back-Stop Agreement is hereby amended in its entirety and as so amended shall read as follows:

“(viii) the Parent, or the ultimate parent company resulting from the merger transaction described in the Agreement and Plan of Merger by and among Duke Energy Corporation, Cinergy Corp., Deer Holding Corp., Deer Acquisition Corp. and Cougar Acquisition Corp., dated as of May 8, 2005, as disclosed in Form 8-K filed by Cinergy Corp. with the Securities and Exchange Commission on May 10, 2005, and other filings made by Cinergy Corp. with respect to such transaction, fails to own directly or indirectly one hundred percent (100%) of the membership interests of SPE; or”

*Section 2.* The Back-Stop Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Back-Stop Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented,

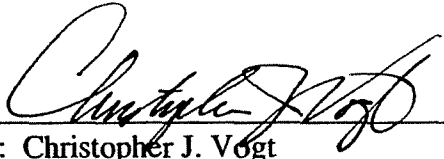
the Back-Stop Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 3.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

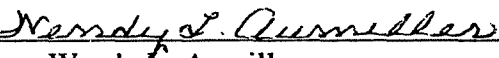
*Section 4.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: President

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as the Collection Agent

By:   
Name: Wendy L. Aumiller  
Title: Treasurer



JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION, as a Committed Lender

By:   
Title: Leo Loughhead  
Managing Director

ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By: T. J. Clute  
Title: \_\_\_\_\_

By: [Signature]  
Title: SVP

**EIGHTH AMENDMENT**  
**Dated as of April 26, 2006**  
**to**  
**RECEIVABLES LOAN AGREEMENT**  
**Dated as of February 14, 2002**  
**(BACK-STOP)**

THIS EIGHTH AMENDMENT (the "*Amendment*"), dated as of April 26, 2006, is entered into among Cinergy Receivables Company LLC (the "*SPE*"), The Cincinnati Gas & Electric Company (the "*Collection Agent*"), JPMorgan Chase Bank, NA (as successor by merger to Bank One, NA) ("*JPMorgan*"), as a Committed Lender, ABN AMRO Bank N.V. ("*ABN AMRO*"), as a Committed Lender (JPMorgan and ABN AMRO, together with their respective successors and assigns, being referred to herein, individually, as a "*Committed Lender*" and, collectively, as the "*Committed Lenders*") and ABN AMRO Bank N.V., as the administrative agent for the Committed Lenders (the "*Administrative Agent*").

This Amendment amends that certain Receivables Loan Agreement, dated as of February 14, 2002 (as amended, supplemented or otherwise modified through the date hereof, the "*Back-Stop Agreement*"), among the SPE, the Collection Agent, the Committed Lenders and the Administrative Agent. Terms used herein and not otherwise defined herein which are defined in the Back-Stop Agreement or the other Loan Documents (as defined in the Back-Stop Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

*Section 1.* Upon execution by the parties hereto in the space provided for that purpose below, the Back-Stop Agreement shall be, and it hereby is, amended as follows:

The date "*April 26, 2006*" appearing in clause (a) of the defined term "*Termination Date*" appearing in Annex I of the Back-Stop Agreement is hereby deleted and replaced with the date "*April 25, 2007*".

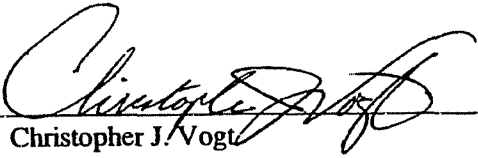
*Section 2.* The Back-Stop Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Loan Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Back-Stop Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Back-Stop Agreement, each of the other Loan Documents and all other documents executed in connection therewith shall remain in full force and effect.

*Section 3.* This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

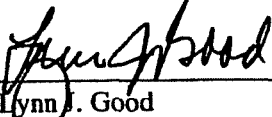
*Section 4.* This Amendment shall be governed and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.


CINERGY RECEIVABLES COMPANY LLC, as the  
SPE

By:   
Name: Christopher J. Vogt  
Title: President

THE CINCINNATI GAS & ELECTRIC COMPANY, as  
the Collection Agent

By:   
Name: Lynn J. Good  
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A., as a Committed  
Lender

By:   
Title: \_\_\_\_\_

**Leo Loughead**  
**Managing Director**

ABN AMRO BANK N.V., as a Committed  
Lender and as the Administrative Agent

By: Thomas J. Christie  
Title: SVP

By: Brandy Han  
Title: Brandy Han  
Vice President

**AMENDED AND RESTATED  
PURCHASE AND SALE AGREEMENT**

**Dated as of March 31, 2002**

**among**

**THE CINCINNATI GAS & ELECTRIC COMPANY,  
PSI ENERGY, INC., AND THE UNION LIGHT,  
HEAT AND POWER COMPANY,  
as Originators,**

**and**

**CINERGY RECEIVABLES COMPANY LLC, as SPE**

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This Amended and Restated Purchase and Sale Agreement (this "*Agreement*"), dated as of March 31, 2002 (the "*Agreement Date*"), is among THE CINCINNATI GAS & ELECTRIC COMPANY, an Ohio corporation ("*CG&E*"), PSI ENERGY, INC., an Indiana corporation ("*PSI*") and THE UNION LIGHT, HEAT AND POWER COMPANY, a Kentucky corporation ("*ULH&P*") (each an "*Originator*" and collectively, the "*Originators*"), and CINERGY RECEIVABLES COMPANY LLC, a Delaware limited liability company (the "*SPE*").

#### **BACKGROUND:**

WHEREAS, the SPE is a qualified special purpose entity, the sole membership interest of which is held by Cinergy Corp., a Delaware corporation (the "*Parent*") and the sole shareholder of each of the CG&E and PSI;

WHEREAS, the Originators each generate Receivables in the ordinary course of their respective businesses;

WHEREAS, the Originators, in order to improve liquidity at the lowest possible cost, desire to sell their Receivables to the SPE, and the SPE is willing to purchase Receivables from each of the Originators, on the terms and subject to the conditions set forth herein;

WHEREAS, the each of Originators and the SPE intend this transaction to be an absolute and irrevocable true sale of Receivables by the Originators to the SPE, providing the SPE with the full benefits of ownership of the Receivables, and the Originators and the SPE do not intend the transactions hereunder to be characterized as a loan from the SPE to the Originators;

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

#### **Section 1. Definitions and Related Matters.**

*Section 1.1. Defined Terms.* In this Agreement, unless otherwise specified or defined herein: (a) capitalized terms are used as defined in Annex I to the Receivables Loan Agreement dated as of the Agreement Date (as amended or modified from time to time, the "*Second Tier Agreement*") among SPE, as borrower, CG&E, as collection agent (the "*Collection Agent*"), Jupiter Securitization Corporation and Windmill Funding Corporation, as the Lenders, Bank One, N.A. and ABN AMRO Bank N.V., as the Servicing Agents, and ABN AMRO Bank, N.V., as the Administrative Agent, as such agreement may be amended or modified from time to time; and (b) terms defined in Article 9 of the UCC and not otherwise defined herein are used as defined in such Article 9 as in effect on the date hereof.

*Section 1.2. Other Interpretive Matters.* In this Agreement, unless otherwise specified: (a) references to any Section or Annex refer to such Section of, or Annex to, this Agreement, and references in any Section or definition to any subsection or clause refer to such subsection or clause of such Section or definition; (b) "*herein*," "*hereof*,"

*“hereto,” “hereunder”* and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) *“including”* means including without limitation, and other forms of the verb *“to include”* have correlative meanings; (d) the word *“or”* is not exclusive; and (e) captions are solely for convenience of reference and shall not affect the meaning of this Agreement.

**Section 2. Agreement to Purchase and Sell.**

*Section 2.1. Purchase and Sale.* On the terms and subject to the conditions set forth in this Agreement, each Originator, severally and for itself, agrees to sell to the SPE, and the SPE hereby agrees to purchase from each Originator, from time to time on and after the Initial Funding Date all of such Originator’s right, title and interest in, to and under:

- (a) each Receivable of each of the Originators that existed and was owing to the Originators at the closing of each Originator’s business on the Agreement Date;
- (b) each Receivable generated by each of the Originators from and including the Agreement Date to and including the Termination Date;
- (c) all rights to, but not the obligations of the Originators under the Receivables;
- (d) all monies due or to become due to the Originators with respect to any of the foregoing;
- (e) all books and records of the Originators related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest of the Originators in each Lock-Box Account, all amounts on deposit therein, all certificates and instruments, if any, from time to time evidencing such accounts and amounts on deposit therein, and all related agreements between the Originators and each Lock-Box Bank; and
- (f) all Collections and other proceeds and products of any of the foregoing (as defined in the UCC) that are or were received by the Originators on or after the Agreement Date, including, without limitation, all funds which either are received by the Originators, the SPE or the Collection Agent from or on behalf of the Obligor in payment of any amounts owed (including, without limitation, invoice price, finance charges, interest and all other charges) in respect of Receivables, or are applied to such amounts owed by the Obligor (including, without limitation, any insurance payments that the Originators or the Collection Agent applies in the ordinary course of its business to amounts owed in respect of any Receivable, and net proceeds of sale or other disposition of repossessed goods or other collateral or property of the Obligor in respect

of Receivables or any other parties directly or indirectly liable for payment of such Receivables).

All purchases hereunder are absolute and irrevocable and shall be made without recourse except as expressly provided herein, but shall be made pursuant to, and in reliance upon, the representations, warranties and covenants of the Originators set forth in this Agreement. No obligation or liability to any Obligor on any Receivable is intended to be, or shall be, assumed by the SPE hereunder, and any such assumption is expressly disclaimed. The SPE's foregoing commitment to purchase Receivables and the proceeds and rights described in clauses (c) through (f) (collectively, the "*Related Rights*", and together with the Receivables, the "*Sold Property*") is herein called the "*Purchase Facility*." In connection with the transfer of ownership in the Receivables and Related Rights, by signing this Agreement in the space provided, each Originator hereby authorizes the filing of all applicable UCC financing statements in all necessary jurisdictions.

*Section 2.2. Timing of Purchases.* All of the Receivables existing at the close of each Originator's business on the Agreement Date will be sold to SPE as of the Initial Funding Date. On each Business Day after the Initial Funding Date, until the occurrence of the Termination Date, each Originator agrees to sell to the SPE; and the SPE agrees to buy from each Originator, all Receivables, Collections and Related Rights existing as of the close of business on the immediately preceding Business Day which have not been previously purchased hereunder. Until the Termination Date, each purchase described in the preceding sentence shall automatically occur at 3:00 p.m. (Cincinnati time) on the date of such purchase subject to the payment of the Purchase Price under Section 2.3, but otherwise without further action on the part of the Originators and the SPE. The proceeds with respect to each Receivable (including all Collections with respect thereto) shall be sold at the same time as such Receivable, whether such proceeds (or Collections) exist at such time or arise or are acquired thereafter.

*Section 2.3. Purchase Price.* (a) The aggregate purchase price for the Receivables originated by an Originator sold on the Initial Funding Date shall be the Purchase Price. The purchase price for Receivables subsequently sold during any Settlement Period shall be calculated in accordance with the Purchase Price then in effect. The Required Discount component of the Purchase Price for Receivables generated by an Originator shall be calculated solely by reference to the Receivables generated by that Originator such that the SPE shall pay a separate and distinct Purchase Price for the Receivables generated by each Originator.

(b) On the Initial Funding Date, SPE shall pay each Originator the Purchase Price for the Receivables originated by such Originator and sold on that date. On each Business Day after the Initial Funding Date on which an Originator sells any Receivables originated by it to SPE pursuant to the terms of Section 2.1, until the Termination Date, the SPE shall pay to such Originator the Purchase Price of such Receivables (i) by

depositing into such account as such Originator shall specify immediately available funds from monies then held by or on behalf of the SPE solely to the extent that such monies do not constitute Collections that are required to be identified or are deemed to be held by the Collection Agent pursuant to the Second Tier Agreement for the benefit of, or required to be distributed to, the Administrative Agent or the Lenders pursuant to the Second Tier Agreement or required to be paid to the Collection Agent as the Collection Agent Fee, or otherwise necessary to pay current expenses of the SPE (such available monies, the "Available Funds") and provided that such Originator has paid all amounts then due by such Originator hereunder or (ii) if SPE has no Available Funds, by increasing the principal amount owed to such Originator under a promissory note (as amended or modified from time to time, each a "Subordinated Note" and collectively the "Subordinated Notes") executed and delivered by the SPE to the order of such Originator as of the Initial Funding Date; *provided, however*, that the SPE shall at all times maintain a minimum net worth (calculated after giving effect to all such purchases and all outstanding Subordinated Notes) of not less than \$3,000,000.00. The outstanding principal amount owed to an Originator under the related Subordinated Note shall be reduced from time to time in the manner required by Section 3.2 hereof or by payments made by the SPE from Available Funds, *provided* that such Originator has paid all amounts then due to the SPE by such Originator hereunder. Any Available Funds remaining after payment in full of all outstanding principal and accrued and unpaid interest owing in respect of the Subordinated Notes shall be used: first, to maintain the SPE's minimum net worth as required herein; and second, to effectuate a dividend of any remaining Available Funds to its member(s). Each Originator shall make all appropriate record keeping entries with respect to amounts due to such Originator under the related Subordinated Note to reflect payments by the SPE thereon and increases of the principal amount thereof, and such Originator's books and records shall constitute rebuttable presumptive evidence of the principal amount of and accrued interest owed to such Originator under the related Subordinated Note. Each Originator, by accepting the proceeds of the Purchase Price for a sale of Receivables, shall be deemed to have certified to the SPE the satisfaction of all conditions precedent to such sale, and title to the Receivables included in such sale shall vest in the SPE regardless of whether the conditions precedent have in fact been satisfied. All amounts to be paid by the SPE to an Originator hereunder shall be paid in accordance with the terms hereof no later than 12:00 p.m. (Cincinnati time) on the date when due in immediately available funds to such accounts as such Originator may from time to time specify in writing. Payments received by an Originator after such time shall be deemed to have been received on the next Business Day. In the event that any payment becomes due on a day which is not a Business Day, then such payment shall be made on the next succeeding Business Day. The SPE shall, to the extent permitted by law, pay to each Originator, on demand, interest on all amounts not paid when due hereunder at 2% per annum above the Prime Rate in effect on the date such payment was due; *provided, however*, that such interest rate shall not at any time exceed the maximum rate permitted by applicable law. All computations of interest payable hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

**Section 2.4. Transfer of Records to SPE.** (a) Each purchase of Receivables hereunder shall include the transfer to the SPE of all of the applicable Originator's right and title to and interest in the records relating to such Receivables and rights to the use of the Originator's computer software to access and create the records, and each Originator hereby agrees that such transfer shall be effected automatically with each such purchase, without any action on the part of the parties hereto or any further documentation.

(b) Each Originator shall take such action reasonably requested by the SPE, from time to time hereafter, that may be necessary or appropriate to ensure that the SPE and its assignees have an enforceable ownership interest in the records relating to the Receivables purchased hereunder, including the rights to the use of computer software to access and create the records.

**Section 2.5. No Recourse or Assumption of Obligations.** The purchase and sale of Receivables under this Agreement shall be without recourse to the Originators, *provided, however*, that (i) each Originator shall be severally liable to the SPE for all representations, warranties and covenants made by such Originator pursuant to this Agreement and (ii) such purchase and sale does not constitute and is not intended to result in an assumption by the SPE or any assignee of any obligation of the Originators or any other person arising in connection with the Receivables, and the SPE shall not have any obligation or liability with respect to any Receivable, nor shall the SPE have any obligation or liability to any Obligor or other customer or client of an Originator (including any obligation to perform any of the obligations of such Originator under any Receivable).

**Section 2.6 Intentions of the Parties.** Each Originator and the SPE intend that the sale transactions hereunder shall be absolute and irrevocable and shall constitute true sales of Receivables by such Originator to the SPE, providing the SPE with the full risks and benefits of ownership of the Receivables originated by such Originator (such that the Receivables would not be property of such Originator's estate in the event of such Originator's bankruptcy). If, however, with respect to Sold Property conveyed to the SPE by the Originators, despite the intention of the parties, the conveyances provided for in this Agreement are determined not to be "true sales" of such Sold Property from the Originators to the SPE, then this Agreement shall also be deemed to be a "security agreement" within the meaning of Article 9 of the UCC and each Originator hereby grants to the SPE a "security interest" within the meaning of Article 9 of the UCC in all of such Originator's right, title and interest in and to the such Sold Property, now existing and thereafter created, to secure a loan in an amount equal to the aggregate Purchase Prices therefor and each of such Originator's other payment obligations under this Agreement.

**Section 3. Administration and Collection.**

**Section 3.1. Appointment of Collection Agent.** (a) The SPE hereby appoints CG&E as its Collection Agent, and the Collection Agent accepts such appointment. Subject to the terms of the Second Tier Agreement, the Collection Agent shall be responsible for collecting the Receivables, tracking, holding and remitting the Collections and fulfilling all other duties expressly assigned to it in this Agreement. The SPE acknowledges that CG&E may delegate to PSI its responsibilities as Collection Agent with respect to Receivables originated by PSI.

(b) The Collection Agent shall, on each day on which Collections are received by it, set aside and hold in trust for the SPE such Collections.

(c) The SPE grants the Collection Agent the authority necessary to carry out its duties under this Agreement for so long as its acting as Collection Agent.

(d) The SPE grants to the Collection Agent, for so long as it is acting in that capacity, an irrevocable power of attorney to endorse all drafts, checks and other forms of payment made out in the SPE's name and to settle, adjust and forgive any Receivable, subject to the provisions of the Second Tier Agreement. Upon any replacement of the Collection Agent, such power of attorney in favor of the replaced Collection Agent will terminate and have no further force or effect.

(e) The Collection Agent shall exercise reasonable care in the performance of its duties under this Agreement and shall use the same degree of care and skill which it applies to its own property.

**Section 3.1.1. Replacement of Collection Agent; Notification of Obligors.** (a) Upon the occurrence of any of the following events (each a "Termination Event"), the SPE acknowledges that under the Second Tier Agreement the Administrative Agent may remove CG&E as the Collection Agent, appoint a new Collection Agent, take control of the Lock-Box Accounts, notify Obligors of the SPE's ownership interest in the Receivables and exercise all other incidences of and rights as a secured party to the extent of its Interest in the Receivables:

(i) any Originator's long-term senior secured debt is rated less than BBB – by Standard & Poor Ratings Group or less than Baa3 by Moody's Investors Services, Inc;

(ii) any Originator shall breach in any material respect any representation or warranty or fail to perform or observe any material term, covenant or agreement, applicable to it which is contained in this Agreement or any other Sale Document;



(iii) any Originator shall fail to pay when due any amount in respect of any debts or obligations having, in the case of the Originators, an aggregate principal amount outstanding of at least (with respect to CG&E and ULH&P, collectively, or PSI, individually) \$25,000,000.00 and such failure shall continue after any applicable grace period, or any other event shall occur or condition shall exist in respect of such debts or obligations and shall continue after any applicable grace period, the effect of which is to cause such debts or obligations to become due and payable prior to the stated maturity thereof; *provided*, that the failure to pay a judgment, writ, warrant of attachment or similar process in the amount set forth above shall not give the SPE the rights described above unless it remains unvacated, unbonded or unstayed for a period of 30 days;

(iv) any Originator is in bankruptcy, reorganization, insolvency or similar proceedings;

(b) Upon removal of Collection Agent by the Administrative Agent, pursuant to and in accordance with the Second Tier Agreement, the SPE shall have the right to take control of the Lock-Box Accounts, notify Obligors of its ownership interest in the Receivables and exercise all other incidences of ownership in the Receivables.

(c) If CG&E is removed as Collection Agent, CG&E and the SPE shall, to the extent permitted by any applicable licensing agreement, transfer to the SPE all records, correspondence, and documents (including computer software) requested by the SPE and shall permit such persons to have access to, and to copy, all software used by CG&E or any other Originator in the collection, administration or monitoring of the Receivables. To the extent the consent of any third party is required for CG&E to transfer to the SPE or to permit the SPE to have access to or to copy, any item described in the immediately preceding sentence, CG&E agrees to use its best efforts to assist the SPE in obtaining such consent.

(d) At any time and from time to time, the Originators may designate an alternate Collection Agent. Provided that (i) the Originators give at least sixty (60) days prior written notice of such designation and (ii) the long term senior secured indebtedness of such designee at the time of the giving of such notice has a rating or ratings of BBB – or higher issued by Standard & Poor's Ratings Group or Baa3 or higher by Moody's Investor Services, Inc., (A) such designee shall be deemed to be the Collection Agent as of the date specified in such notice, and (B) from and after such date, the entity designated as Collection Agent immediately prior to the giving of such notice shall not incur any further liabilities under this Agreement and no rights of Collection Agent under this Agreement shall accrue in favor of the entity designated as Collection Agent immediately prior to the giving of such notice.

*Section 3.2. Deemed Collections.* If on any day the outstanding balance of a Receivable is reduced or cancelled as a result of any defective or rejected goods or services, any cash discount or adjustment (including any adjustment resulting from the application of any special refund or other discounts or any reconciliation), any setoff or

credit (whether such claim or credit arises out of the same, a related, or an unrelated transaction) or other reason not attributable to or arising from the creditworthiness of the Obligor or the financial ability or inability of the Obligor to pay the undisputed indebtedness of such Receivable, (i) the applicable Originator shall be deemed to have received on such day a Collection on such Receivable in the amount of such reduction or cancellation and (ii) such Receivable shall thereupon be, or be deemed to be, reconveyed to such Originator. If on the date of purchase of a Receivable, any representation, warranty, covenant or other agreement of an Originator related to such Receivable set forth in Section 4.2(b) is not true or is not satisfied, (i) such Originator shall be deemed to have received on such day a Collection in the amount of the outstanding balance of such Receivable and (ii) such Receivable shall thereupon be, or be deemed to be, reconveyed to such Originator. Not later than the first Settlement Date after an Originator is deemed pursuant to this Section 3.2 to have received any Collections, such Originator shall transfer to the SPE, in immediately available funds, the amount of such deemed Collections; *provided, however*, that if no such application is required under the Second Tier Agreement, such Originator may reduce the outstanding principal amount of the relevant Subordinated Note in lieu of all or part of such transfer. To the extent that the SPE subsequently receives Collections in respect of any such reconveyed "Receivable," the SPE shall remit such Collections to the applicable Originator not later than the first Settlement Date after the SPE receives the Collections.

*Section 3.3. Application of Collections.* Any payment by an Obligor in respect of any indebtedness owed by it to the related Originator shall, except as otherwise specified by such Obligor (including by reference to a particular invoice), or required by the related contracts or law, be applied, *first*, as a Collection of any Receivable or Receivables then outstanding of such Obligor in the order of the age of such Receivables, starting with the oldest of such Receivables, and, *second*, to any other indebtedness of such Obligor to such Originator.

*Section 3.4. Responsibilities of Originator.* Each Originator shall pay when due all taxes (other than taxes on gross receipts and earnings) payable in connection with the Receivables originated by it. Each Originator shall perform all of its obligations under agreements related to the Receivables originated by it. The Administrative Agent's or the Lenders' exercise of any rights under the Second Tier Agreement shall not relieve any Originator from such obligations. Neither the Administrative Agent nor the Lenders shall have any obligation to perform any obligation of any Originator in connection with the Receivables.

#### Section 4. Representations and Warranties.

*Section 4.1. Mutual Representations and Warranties.* Each of the Originators severally represents and warrants to the SPE and its assignee as follows:

- (a) It is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly

qualified in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder.

(b) The execution, delivery and performance by such Originator of the Sale Documents are within such Originator's respective corporate powers, have been duly authorized by all necessary corporate action, do not contravene (i) such Originator's charter or by-laws or (ii) any law or any contractual restriction binding on or affecting such Originator, and do not result in or require the creation of any lien (other than pursuant hereto) upon or with respect to any of its properties; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by such Originator of the Sale Documents.

(d) The Sale Documents, when executed and delivered by such Originator, will be the legal, valid and binding obligation of such Originator enforceable against such Originator in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

*Section 4.2. Additional Representations by Each Originator.* Each Originator further severally represents and warrants to SPE as follows:

(a) There is no pending or threatened action or proceeding affecting such Originator or any of its subsidiaries (other than those disclosed in such Originator's most recent Form 10-Q filed with the SEC) before any court, governmental agency or arbitrator which reasonably could be expected to materially adversely affect (i) its financial condition or operations or (ii) its ability to perform its obligations hereunder or under any of the Sale Documents, or which reasonably could be expected to affect the legality, validity or enforceability of any Sale Document or of the Ownership Interest.

(b) Such Originator is the legal and beneficial owner of the Receivables originated by it free and clear of any lien, security interest, claim or encumbrance, except as created by this Agreement; upon each purchase, the SPE will acquire a valid and perfected ownership interest in the Receivables then existing and in the Collections with respect thereto, free and clear of any lien, security interest, claim or encumbrance, except as created by this Agreement.

(c) The information provided by such Originator to the Collection Agent for use in each Receivables Activity Report prepared under Section 7.4 of the Second Tier Agreement and all information and Sale Documents furnished or

to be furnished at any time by such Originator to the Administrative Agent, the Servicing Agents or the Lenders in connection with this Agreement is or will be accurate in all material respects as of its date, and no such document will contain any untrue statement of a material fact or will omit to state a material fact.

(d) Each Receivables Activity Report prepared by the Collection Agent under Section 7.4 of the Second Tier Agreement will be accurate in all material respects as of its date, and no such document will contain any untrue statement of a material fact or will omit to state a material fact.

(e) The chief place of business and chief executive office of such Originator and the office where such Originator keeps its records concerning the Receivables are located at the addresses specified in Exhibit A hereof.

(f) The names and addresses of the Lock-Box Banks, together with the account numbers of the Lock-Box Accounts, are specified in Exhibit H to the Second Tier Agreement (or at such other Lock-Box Banks and/or with such other Lock-Box Accounts as have been disclosed to the Administrative Agent).

(g) Each Originator is treating the conveyance of the Sold Property under this Agreement as a sale for purposes of generally accepted accounting principles.

(h) Each Plan is in compliance with all of the applicable material provisions of ERISA and each Plan intended to be qualified under Section 401(a) of the Code is so qualified. No Plan has incurred an "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code) whether or not waived. No Originator nor any ERISA Affiliate: (i) has incurred or expects to incur any liability under Title IV of ERISA, with respect to any Plan, which could give rise to a lien in favor of the PBGC, other than liability for the payment of premiums, all of which have been timely paid when due in accordance with Section 4007 of ERISA, (ii) has incurred or expects to incur any withdrawal liability, within the meaning of Section 4201 of ERISA, (iii) is subject to any lien under Section 412(n) of the Code or Section 302(f) or 4068 of ERISA or arising out of any action brought under Section 4070 or 4301 of ERISA, or (iv) is required to provide security to a Plan under Section 401(a)(29) of the Code. The PBGC has not instituted proceedings to terminate any Plan or to appoint a trustee or administrator of any such Plan and no circumstances exist that constitute grounds under Section 4042 of ERISA to commence any such proceedings.

**Section 5. General Covenants.**

**Section 5.1. Affirmative Covenants of the Originators.** Until the Collection Date, each of the Originators (with respect to itself) will, unless SPE has otherwise consented in writing:

- (a) Comply in all material respects with all applicable laws, rules, regulations and orders with respect to it, its business and properties and all Receivables and Collections.
- (b) Maintain its corporate existence in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder; *provided* that an Originator may merge or consolidate with or into any person if, immediately after giving effect to such transaction,
  - (i) none of the events described in Section 8.3.1(a) of the Second Tier Agreement (and no event or circumstance which, with the giving of notice or the passage of time, or both, would constitute such an event) has occurred and is continuing and
  - (ii) the long-term senior secured debt of such Originator or the entity surviving such merger or consolidation, as applicable, is rated BBB- or higher by Standard & Poor's Ratings Group and Baa3 or higher by Moody's Investors Service, Inc.
- (c) At any reasonable time and upon reasonable prior notice, permit the Lenders, any Servicing Agents or their respective agents or representatives to visit and inspect any of its properties, to examine its books of account and other records and files relating to Receivables (including, without limitation, computer tapes and disks) and to discuss its affairs, business, finances and accounts with its officers.
- (d) Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all records and other information, reasonably necessary or advisable for the collection of Receivables (including, without limitation, records adequate to permit, on a daily basis, a reasonable estimate of Receivables and all Collections and adjustments to Receivables).
- (e) At its expense, timely and fully perform and comply with all material provisions and covenants required to be observed by such Originator under the contracts related to the Receivables.
- (f) Keep its place of business or chief executive office (if it has more than one place of business) and the office where it keeps the originals of its

records concerning the Receivables at the address of such Originator listed on the signature page hereto or, upon 30 days' prior written notice to the Administrative Agent, at any other location in a jurisdiction where all UCC financing statements required by the Administrative Agent have been filed.

(g) Comply in all material respects with such Originator's credit and collection policy in regard to each Receivable and any contract related to such Receivable.

(h) Instruct all Obligors to cause all Collections to be either (i) deposited directly into a Lock-Box Account or (ii) remitted to the applicable Originator in such other manner as is utilized in the applicable Originator's normal course of business and has been approved by the Administrative Agent, provided that any such Collections shall be deposited to the appropriate Lock-Box Account within one (1) Business Day after receipt by any Originator. On or prior to the Agreement Date, each Originator shall deliver to the Collection Agent (on behalf of the SPE) a certificate from an authorized officer of the Originator to the effect that (i) the name of the renter of all post office boxes into which Collections may from time to time be mailed have been changed to add the name of the SPE (unless such post office boxes are in the name of the relevant Lock-Box Banks) and (ii) all relevant postmasters have been notified that the Collection Agent is authorized to collect mail delivered to such post office boxes (unless such post office boxes are in the name of the relevant Lock-Box Banks).

(i) File and maintain in effect all filings, and take all such other actions, as may be necessary to protect the validity and perfection of the SPE's ownership interest in Receivables.

(j) Each Originator shall bill all Unbilled Receivables in accordance with its customary practices.

(k) Each Originator shall place on the most recent, and shall take all steps reasonably necessary to ensure that there shall be placed on each subsequent, Receivables Activity Report, the following legend (or the substantive equivalent thereof):  
"THE RECEIVABLES DESCRIBED HEREIN HAVE BEEN SOLD PURSUANT TO AN AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT, DATED AS OF MARCH 31, 2002, AS MAY BE FURTHER AMENDED, BETWEEN THE CINCINNATI GAS & ELECTRIC COMPANY, PSI ENERGY, INC., AND THE UNION LIGHT, HEAT AND POWER COMPANY, AS ORIGINATORS, AND CINERGY RECEIVABLES COMPANY LLC, AS PURCHASER; AND AN UNDIVIDED, FRACTIONAL SECURITY INTEREST IN THE RECEIVABLES DESCRIBED HEREIN HAS BEEN GRANTED TO JUPITER SECURITIZATION CORPORATION AND WINDMILL FUNDING CORPORATION PURSUANT TO A RECEIVABLES LOAN AGREEMENT, DATED AS OF FEBRUARY 14, 2002, AS AMENDED, AMONG CINERGY RECEIVABLES COMPANY LLC, AS BORROWER, JUPITER SECURITIZATION CORPORATION AND

WINDMILL FUNDING CORPORATION, AS LENDERS, ABN AMRO BANK, N.V. AND BANK ONE, N.A., AS SERVICERS, AND ABN AMRO BANK, N.V. , AS ADMINISTATOR.”

*Section 5.2. Reporting Requirements of the Originators.* Until the Collection Date, each Originator will, unless the SPE shall otherwise consent in writing, furnish to the Servicing Agents (or, in the case of (f) below, assist the Collection Agent in furnishing to the Servicing Agents):

(a) the Receivables Activity Report as required under Section 7.4 of the Second Tier Agreement;

(b) promptly and in any event within 5 Business Days after learning thereof, notice of any rate rebates which any Originator may be required by applicable regulatory authorities to provide to its Obligor and any pending proceedings concerning any such rate rebates.

(c) (i) promptly and in any event within 30 Business Days after any Originator or any ERISA Affiliate knows or has reason to know that a “reportable event” (as defined in Section 4043 of ERISA) has occurred with respect to any Plan, a statement of the chief financial officer of such Originator setting forth details as to such reportable event and the action that such Originator or an ERISA Affiliate proposes to take with respect thereto, together with a copy of the notice of such reportable event, if any, given to the PBGC, the Internal Revenue Service or the Department of Labor; (ii) promptly and in any event within 10 Business Days after receipt thereof, a copy of any notice such Originator or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such Plan; (iii) promptly and in any event within 10 Business Days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of the chief financial officer of such Originator setting forth details as to such failure and the action that such Originator or an ERISA Affiliate proposes to take with respect thereto, together with a copy of such notice given to the PBGC; and (iv) promptly and in any event within 30 Business Days after receipt thereof by such Originator or any ERISA Affiliate from the sponsor of a multiemployer plan (as defined in Section 3(37) of ERISA), a copy of each notice received by such Originator or any ERISA Affiliate concerning the imposition of withdrawal liability or a determination that a multiemployer plan is, or is expected to be, terminated or reorganized; and

(d) such other information, documents, records or reports respecting the Sold Property as the SPE, the Administrative Agent, any Servicing Agents or the Lenders may from time to time reasonably request.

**Section 5.3. Negative Covenants of the Originators.** Until the Collection Date, none of the Originators will, unless the SPE has otherwise consented in writing:

(a) Except as provided herein, sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any security interest, lien or encumbrance upon or with respect to Receivables, Collections or any Lock-Box Account or assign any right to receive income in respect thereof.

(b) Except pursuant to the applicable Originator's budget/balanced billing payment plan or deferred arrangement payment plan, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any contract related thereto, in each case so as to extend the maturity thereof.

(c) Make any change in the character of its business or its credit and collection policy which would, in either case, be reasonably likely to materially impair the collectibility of any Receivable unless such change is required by applicable regulatory authorities. Any such change will be promptly notified to the Lenders and the Administrative Agent.

(d) Add or terminate any bank as a Lock-Box Bank from those listed on Exhibit H of the Second Tier Agreement, or make any change in its instructions to Obligor regarding payments to be made to such Originator or payments to be made to any Lock-Box Bank, unless the Administrative Agent shall have received notice of such addition, termination or change and, with respect to the addition of any Lock-Box Bank, a Lock-Box Bank Agreement in the form of Exhibit E of the Second Tier Agreement executed by such Originator and such Lock-Box Bank shall have been delivered to the Administrative Agent.

(e) Account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than as sales of the Receivables and Related Rights by the Originators to the SPE.

**Section 5.4. Organizational Separateness.** Each Originator hereby acknowledges that this Agreement is being entered into in reliance upon the SPE's identity as a legal entity separate from the Originators and their Affiliates, including the Parent. Therefore, from and after the date hereof, the Originators shall take all reasonable steps necessary to make it apparent to third Persons that the SPE is an entity with assets and liabilities distinct from those of the Originators, the Parent and any other Person, and is not a division of any of the Originators, their Affiliates, the Parent, or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, the Originators and the Parent shall take such actions as shall be required in order that:



(a) the Originators and the Parent shall not be involved in the day to day management of the SPE;

(b) the Originators and the Parent shall maintain separate corporate records and books of account from the SPE and otherwise will observe corporate formalities and have a separate area from the SPE for their businesses;

(c) the financial statements and books and records of the Originators and the Parent shall be prepared after the date of creation of the SPE to reflect and shall reflect the separate existence of the SPE; *provided*, that the SPE's assets and liabilities may be included in a consolidated financial statement issued by an Affiliate of the SPE; *provided, however*, all financial statements of the Originators or any Affiliate thereof, including the Parent, that are consolidated to include the SPE will contain detailed notes clearly stating that (i) a special purpose corporation exists as a subsidiary of the Parent, (ii) the Originators have sold receivables and other related assets to such special purpose subsidiary that, in turn, has granted an undivided security interest therein to certain financial institutions and other entities and (iii) that the special purpose subsidiary's assets are not available to satisfy the obligations of any Originator or any Affiliate, including the Parent;

(d) except as permitted by the Second-Tier Agreement, (i) each Originator and the Parent shall maintain its assets separately from the assets of the SPE, and (ii) such Originator's assets, and the assets of the Parent and records relating thereto, have not been, are not, and shall not be, commingled with those of the SPE;

(e) all of the SPE's business correspondence and other communications shall be conducted in the SPE's own name and on its own stationery;

(f) neither any Originator nor the Parent shall act as an agent for the SPE, other than ministerial activities of Originators in collecting Receivables and activities of CG&E in its capacity as the Collection Agent, and in connection therewith, CG&E shall present itself to the public as an agent for the SPE and a legal entity separate from the SPE;

(g) neither any Originator nor the Parent shall conduct any of the business of the SPE in its own name;

(h) neither any Originator nor the Parent shall pay any liabilities of the SPE out of its own funds or assets;

(i) each Originator and the Parent shall maintain an arm's-length relationship with the SPE;

(j) neither any Originator nor the Parent shall assume or guarantee or become obligated for the debts of the SPE or hold out its credit as being available to satisfy the obligations of the SPE;

(k) neither any Originator nor the Parent shall acquire obligations of the SPE;

(l) each Originator and the Parent shall allocate fairly and reasonably overhead or other expenses that are properly shared with the SPE, including, without limitation, shared office space;

(m) each Originator and the Parent shall identify and hold itself out as a separate and distinct entity from the SPE;

(n) each Originator and the Parent shall correct any known misunderstanding respecting its separate identity from the SPE;

(o) neither any Originator nor the Parent shall enter into, or be a party to, any transaction with the SPE, except in the ordinary course of its business and on terms which are intrinsically fair and not less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party; and

(p) neither any Originator nor the Parent shall pay the salaries of the SPE's employees, if any.

The provisions of this Section shall survive any termination of this Agreement for one year and one day after the Termination Date.

#### Section 6. Termination of Purchases.

*Section 6.1. Voluntary Termination.* The purchase and sale of Receivables pursuant to this Agreement may be terminated by any Originator on a date certain designated by that Originator in writing (the "*Termination Date*") which shall not be less than five (5) Business Days' after such written notice is provided to the other parties.

*Section 6.2. Automatic Termination.* The purchase and sale of Receivables pursuant to this Agreement shall automatically terminate upon the occurrence of a Termination Event, and the Termination Date shall be deemed to have occurred upon the occurrence of such event.

#### Section 7. Indemnification.

*Section 7.1. Indemnification by Originators of SPE, Etc.* Without limiting any other rights which the SPE and its officers, directors, employees, and agents,

(collectively, the "*Indemnified Parties*") may have hereunder or under applicable law, each Originator, jointly and severally, hereby indemnifies such parties and holds them harmless from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (collectively, "*Claims*") incurred by any of them arising out of or resulting from the failure of such Originator to perform its obligations under this Agreement or arising out of the claims asserted against an Indemnified Party relating to the transactions contemplated herein or in the Second Tier Agreement or the use of proceeds thereof or therefrom, excluding, however, (i) Claims to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party ("*Excluded Losses*"), (ii) recourse with respect to any Receivable to the extent that such Receivable is uncollectible on account of insolvency, bankruptcy or lack of creditworthiness of the related Obligor (except as otherwise specifically provided under this Agreement) and (iii) any tax based upon or measured by net income property, or gross receipts. Without limiting the foregoing, each Originator shall indemnify each Indemnified Party for Claims relating to or resulting from:

(a) the reliance by an Indemnified Party on any representation or warranty made by any Originator (whether as a Originator, Collection Agent or otherwise) (or any of their officers) under or in connection with this Agreement or any Sale Document, which was incorrect in any material respect when made;

(b) the failure by any Originator to comply with any covenant set forth in this Agreement or any other Sale Document, whether as Originator, Collection Agent or otherwise;

(c) the failure to vest and maintain in the SPE, legal and equitable title to, and ownership of, the Receivables, free and clear of any security interest, lien, claim or encumbrance;

(d) the failure to timely file financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivables, whether at the time of a purchase hereunder or otherwise;

(e) except as expressly provided herein, the return or transfer by the Collection Agent of any portion of Collections to any Originator or any other person for any reason whatsoever;

(f) any dispute, claim, offset or defense of any Obligor to the payment of any Receivable attributable to the action or inaction of an Originator (including a defense based on such Receivables or the related contracts not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale, use, operation or ownership of or defects in or breaches of warranties with respect to, the

merchandise or services relating to such Receivable or the furnishing or failure to furnish such merchandise or services;

(g) any Originator's failure to pay when due any taxes (including sales, excise or personal property taxes) payable in connection with the Receivables;

(h) the commingling of Collections with other funds of any Originator;

(i) the failure by any Originator to comply in any material respect with any applicable law, rule or regulation with respect to any Receivable, or the nonconformity in any material respect of any Receivable with any such applicable law, rule or regulation;

(j) the failure of any third party to which Collections are remitted to transfer such Collections to the applicable Originator; or

(k) for any reason, the invoices representing previously Unbilled Receivables are less than the amount of such Unbilled Receivables included as Eligible Receivables under the Second Tier Agreement.

If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Originator hereby agrees to make the maximum contribution to the payment of the amounts indemnified against in this Section which is permissible under applicable law.

## Section 8. Miscellaneous.

*Section 8.1. Amendments, Waivers, Etc.* No amendment of this Agreement or waiver of any provision hereof or consent to any departure by either party therefrom shall be effective without the written consent of the party that is sought to be bound. Any such waiver or consent shall be effective only in the specific instance given. No failure or delay on the part of either party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Each Originator agrees that the Lenders may rely upon the terms of this Agreement, and that the terms of this Agreement may not be amended, nor any material waiver of those terms be granted, without the consent of the Administrative Agent; *provided* that such Originator and the SPE may agree to an adjustment of the Purchase Price for any Receivable originated by such Originator without the consent of the Administrative Agent provided that the Purchase Price paid for such Receivable shall be an amount not less than adequate consideration that represents fair value for such Receivable.

*Section 8.2. Assignment of Receivables Purchase Agreement.* Each Originator hereby acknowledges that on the date hereof the SPE has collaterally assigned for

security purposes all of its right, title and interest in, to and under this Agreement to the Administrative Agent for the benefit of the Lenders pursuant to the Second Tier Agreement and that the Administrative Agent and the Lenders are third party beneficiaries hereof. Each Originator hereby further acknowledges that after the occurrence and during the continuation of a Termination Event all provisions of this Agreement inuring to the benefit of the SPE shall inure to the benefit of the Administrative Agent and the Lenders, including the enforcement of any provision hereof to the extent set forth in the Second Tier Agreement, but that neither the Administrative Agent nor the Lenders shall have any obligations or duties under this Agreement. No purchases shall take place hereunder at any time that the Administrative Agent has exercised its right to enforce the SPE's rights hereunder pursuant to Section 3.4(b) of the Second Tier Agreement. Each Originator hereby further acknowledges that the execution and performance of this Agreement are conditions precedent for the Administrative Agent and the Lenders to enter into the Second Tier Agreement and that the agreement of the Administrative Agent and Lenders to enter into the Second Tier Agreement will directly or indirectly benefit such Originator and constitutes good and valuable consideration for the rights and remedies of the Administrative Agent and the Lenders with respect hereto.

*Section 8.3. Binding Effect; Assignment.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall also, to the extent provided herein, inure to the benefit of the parties to the Second Tier Agreement. Each Originator acknowledges that SPE's rights under this Agreement are being assigned to the Administrative Agent under the Second Tier Agreement and consents to such assignment and to the exercise of those rights directly by the Administrative Agent, to the extent permitted by the Second Tier Agreement.

*Section 8.4. Survival.* The rights and remedies with respect to any breach of any representation and warranty made by an Originator or SPE pursuant to Section 4 and the indemnification provisions of Section 7 shall survive any termination of this Agreement.

*Section 8.5. Costs, Expenses and Taxes.* In addition to the obligations of the Originators under Section 7, each party (the Originators being one party and the SPE the other party) hereto agrees to pay on demand all costs and expenses incurred by the other party and its assigns (other than Excluded Losses) in connection with the enforcement of, or any actual or claimed breach of, this Agreement, including the reasonable fees and expenses of counsel to any of such Persons incurred in connection with any of the foregoing or in advising such Persons as to their respective rights and remedies under this Agreement in connection with any of the foregoing. Each Originator, jointly and severally, also agrees to pay on demand all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement.

**Section 8.6. Execution in Counterparts; Integration.** This Agreement may be executed in any number of counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

**Section 8.7. Governing Law; Submission to Jurisdiction.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF OHIO. EACH ORIGINATOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO AND OF ANY OHIO STATE COURT SITTING IN CINCINNATI, OHIO FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF, OR RELATING TO, THE SALE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY. EACH ORIGINATOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH PROCEEDING AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 8.7 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR THE LENDERS TO BRING ANY ACTION OR PROCEEDING AGAINST AN ORIGINATOR OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

**Section 8.8. No Proceedings.** Each Originator agrees, for the benefit of the parties to the Second Tier Agreement, that it will not institute against the SPE, or join any other Person in instituting against the SPE, any proceeding of a type referred to in Section 3.1.1(a)(iv) of this Agreement until one year and one day after no investment, loan or commitment is outstanding under the Second Tier Agreement.

**Section 8.9.** [Intentionally Omitted].

**Section 8.10. Notices.** Unless otherwise specified, all notices and other communications hereunder shall be in writing (including by telecopier or other facsimile communication), given to the appropriate Person at its address or telecopy number set forth in the Second Tier Agreement or at such other address or telecopy number as such Person may specify, and effective when received at the address specified by such Person.

**Section 8.11. Entire Agreement.** This Agreement constitutes the entire understanding of the parties hereto concerning the subject matter hereof. Any previous or contemporaneous agreements, whether written or oral, concerning such matters are superseded hereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE CINCINNATI GAS & ELECTRIC  
COMPANY, as Originator and Collection Agent

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Acting Treasurer

PSI ENERGY, INC.,  
as Originator

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Acting Treasurer

THE UNION LIGHT, HEAT AND POWER  
COMPANY, as Originator

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Acting Treasurer

CINERGY RECEIVABLES COMPANY LLC,  
as the SPE

By: Charles J. Winger  
Name: Charles J. Winger  
Title: President

CINERGY CORP., as the Parent, with respect to  
Section 5.4 of the Agreement only

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Acting Treasurer

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

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COMPANY, as Originator and Collection Agent

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COMPANY, as Originator

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Name: Wendy L. Aumiller  
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as the SPE

By: Charles J. Winger  
Name: Charles J. Winger  
Title: President

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Section 5.4 of the Agreement only

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Name: Wendy L. Aumiller  
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COMPANY, as Originator

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as the SPE

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as the SPE

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Name: Charles J. Winger  
Title: President

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COMPANY, as Originator

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Name: Charles J. Winger  
Title: President

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Section 5.4 of the Agreement only

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CINERGY RECEIVABLES COMPANY LLC,  
as the SPE

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Name: Charles B. Winger  
Title: President

CINERGY CORP., as the Parent, with respect to  
Section 5.4 of the Agreement only

By: Wendy L. Aumiller  
Name: Wendy L. Aumiller  
Title: Acting Treasurer

## **Exhibit A**

### **Locations of Records and Chief Executive Offices**

- A. **The Cincinnati Gas & Electric Company**
1. **Location of Chief Executive Office:**  
  
139 East Fourth Street  
Cincinnati, Ohio 45202
  2. **Location of Books and Records:**  
  
139 East Fourth Street  
Cincinnati, Ohio 45202
- B. **PSI Energy, Inc.**
1. **Location of Chief Executive Office:**  
  
1000 East Main Street  
Plainfield, Indiana 46168
  2. **Location of Books and Records:**  
  
1000 East Main Street  
Plainfield, Indiana 46168
- C. **The Union Light, Heat and Power Company**
1. **Location of Chief Executive Office:**  
  
139 East Fourth Street  
Cincinnati, Ohio 45202
  2. **Location of Books and Records:**  
  
139 East Fourth Street  
Cincinnati, Ohio 45202  
  
107 Brent Spence Square  
Covington, Kentucky 41011

## AMENDMENT TO PURCHASE AND SALE AGREEMENT

**THIS AMENDMENT** (this "**Amendment**"), effective as of May 30, 2003, is entered into by and among The Cincinnati Gas & Electric Company, an Ohio corporation ("**CG&E**"), PSI Energy Inc., an Indiana corporation ("**PSI**") and The Union Light, Heat and Power Company, a Kentucky corporation ("**ULH&P**") (each an "**Originator**" and collectively, the "**Originators**"), and Cinergy Receivables Company LLC, a Delaware limited liability company (the "**SPE**"), and pertains to that certain Amended and Restated Purchase and Sale Agreement, dated as of March 31, 2002, by and among the parties hereto (the "**Agreement**"). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

### WITNESSETH:

**WHEREAS**, the SPE and the Originators wish to add certain definitions to the Agreement.

**NOW, THEREFORE**, in consideration of the premises and the other mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Amendment**. From and after the date hereof, the following definitions are hereby added to Section 1.1:

"**Affiliate**" means, when used with respect to any Person, any other Person controlling or controlled by or under common control with such Person. As used in this definition, "control" (including its correlative meanings "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities by contract or otherwise.

"**Affiliated Obligor**" means an Obligor that is an Affiliate of an Originator or the SPE or that is an entity that would be accounted for by an Originator, the SPE or any Affiliate of an Originator or the SPE under the equity method of accounting under U.S. generally accepted accounting principles.

"**Obligor**" means any corporation, partnership, person or any other party which is obligated to make payment on a Receivable.

"**Person**" means any individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated organization or a government or any department or agency or instrumentality thereof.

"**Purchase Price**" means, with respect to each Purchase under the Agreement, the product obtained by multiplying (a) the Receivables originated during the calendar month by (b) one minus the Required Discount calculated as of the penultimate month-end preceding that calendar month. Notwithstanding the discussion in (b), for purposes of the

Required Discount calculation, the Prime Rate used shall be as of the month-end immediately preceding the calendar month.

“*Prime Rate*” is defined in Section 5.3 of the Second Tier Agreement.

“*Receivable*” means the obligation of an Obligor (other than an Affiliated Obligor) to pay an Originator for merchandise sold or services rendered by an Originator in a retail transaction, and includes the rights of the applicable Originator to payment of any interest or finance charges, and in the contracts relating to such Receivable, all security interests, guaranties and property securing or supporting payment of such Receivable, all books and records relating to the Receivable and all proceeds of the foregoing, but “Receivable” shall not include any obligation of an Obligor to pay for merchandise sold or services rendered on a wholesale basis by an Originator. A “retail transaction” is one (i) (a) in which the merchandise sold or the services rendered are sold or rendered to a residential, commercial, industrial, public street and highway lighting, or public authority customer or successor type of customer to the aforementioned customer, or in which Dayton Power and Light, or its successor or Columbus Southern Power, or (b) which resulted in a receivable of CG&E which arose from the joint ownership arrangements between and/or among CG&E, Dayton Power & Light Co. and/or Columbus Southern Power Co. relating to certain jointly owned generating stations), and (ii) which does not result in the customer being obliged to pay for such merchandise or services under a Percentage of Increase Payment Plan.

“*Required Discount*” means, as measured each month end, an amount for each Originator which is equal to:

$$1 \text{ minus } \frac{(1-B+L-C)}{1+(D \times T)}$$

where: B = the three year weighted average net charge-off percentage, which is calculated as 12 months of net charge-offs divided by 9 month lagging 12 months of billings. ‘*Net Charge-offs*’ is charge-offs less collections. For PSI, the most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

L = the three year weighted average late charges percentage, which is calculated as 12 months of late charges received divided by 12 months of billings. For PSI, the most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

C = collection fee is .25%

D = Prime Rate plus .25%

T = the three year weighted average turnover rate, which is calculated as (i) the month-end balance of Receivables divided (ii) by that month's originated receivables times 12. That percentage is calculated for the most recent 36 months and averaged over that period. For PSI, the most recent year is weighted 50%, the year prior weighted 33.3%, and the oldest year weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.”

2. **Effectiveness.** This Amendment shall become effective as of the date first above written upon delivery of counterparts hereof duly executed by each of the parties hereto.

3. **Continuing Effect.** Except as expressly amended above, the Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed.

4. **Binding Effect.** This Amendment shall become effective when it shall have been executed and delivered by each of the parties hereto and thereafter shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

5. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF OHIO.

6. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

*[signature pages begin on next page]*



**IN WITNESS WHEREOF**, the parties have caused this Amendment to be duly executed and delivered as of the day and year first above written.

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as Originator and Collection Agent

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

PSI ENERGY, INC., as Originator

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

THE UNION LIGHT, HEAT AND POWER  
COMPANY, as Originator

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

CINERGY RECEIVABLES COMPANY LLC,  
as the SPE

By: Christopher J. Vogt  
Christopher J. Vogt  
Treasurer

CINERGY CORP, as the Parent, with respect to  
Section 5.4 of the Agreement only

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

## SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment"), effective as of January 1, 2004, is entered into by and among The Cincinnati Gas & Electric Company, an Ohio corporation ("CG&E"), PSI Energy Inc., an Indiana corporation ("PSI") and The Union Light, Heat and Power Company, a Kentucky corporation ("ULH&P") (each an "Originator" and collectively, the "Originators"), and Cinergy Receivables Company LLC, a Delaware limited liability company (the "SPE"), and pertains to that certain Amended and Restated Purchase and Sale Agreement, dated as of March 31, 2002, as previously amended, by and among the parties hereto (the "Agreement"). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

### WITNESSETH:

WHEREAS, the SPE and the Originators wish to add and amend certain definitions to the Agreement.

NOW, THEREFORE, in consideration of the premises and the other mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. New and Amended Definitions. From and after the effective date, the following definition of "LIBOR" is hereby added to Section 1.1 of the Agreement and the definition of "Required Discount" in Section 1.1 of the Agreement is amended as set forth below:

"LIBOR" stands for "London Interbank Offered Rate" and is the rate of interest at which banks borrow funds from other banks, in marketable size, in the London interbank market. For purposes of this Agreement "LIBOR" specifically means the interest rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. dollars for a period of one month as of the first business day of each calendar month, which is accessed and determined by means of a Bloomberg terminal (a subscription service of Bloomberg Financial Markets) by typing in and searching for "BBAM" using the search tool and then selecting the heading "Official BBA LIBOR Fixings" (or any successor page or successor service that displays the British Bankers' Association Interest Settlement Rates for dollar deposits).

"Required Discount" means, as measured each month end, an amount for each Originator which is equal to:

$$1 \text{ minus } \frac{(1-B+L-C)}{1+(D \times T)}$$

where: B = the three year weighted average net charge-off percentage, which is calculated as 12 months of net charge-offs divided by 9 month lagging 12 months of billings. 'Net Charge-offs' is charge-offs less collections. For PSI, the most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

L = the three year weighted average late charges percentage, which is calculated as 12 months of late charges received divided by 12 months of billings. For PSI, the most recent year is weighted 50%, the year prior is weighted 33.33%, and the oldest year is weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

C = collection fee is .25%

D = 1- month LIBOR + 2.39%

T = the three year weighted average turnover rate, which is calculated as (i) the month-end balance of Receivables divided (ii) by that month's originated receivables times 12. That percentage is calculated for the most recent 36 months and averaged over that period. For PSI, the most recent year is weighted 50%, the year prior weighted 33.3%, and the oldest year weighted 16.67%. For CG&E and ULH&P, the most recent year is weighted 33.34%, the year prior is weighted 33.33%, and the oldest year is weighted 33.33%.

2. Effectiveness. This Amendment shall become effective as of the date first above written upon delivery of counterparts hereof duly executed by each of the parties hereto.

3. Continuing Effect. Except as expressly amended above, the Agreement remains unaltered and in full force and effect and is hereby ratified and confirmed.

4. Binding Effect. This Amendment shall become effective when it shall have been executed and delivered by each of the parties hereto and thereafter shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

5. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF OHIO.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

*IN WITNESS WHEREOF*, the parties have caused this Amendment to be duly executed and delivered as of the day and year first above written.

THE CINCINNATI GAS & ELECTRIC COMPANY,  
as Originator and Collection Agent

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

PSI ENERGY, INC., as Originator

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

THE UNION LIGHT, HEAT AND POWER  
COMPANY, as Originator

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

CINERGY RECEIVABLES COMPANY LLC,  
as the SPE

By: Christopher J. Vogt  
Christopher J. Vogt  
Treasurer

CINERGY CORP, as the Parent, consents to this  
Amendment in its role as a signatory to the Agreement  
with respect to Section 5.4 only

By: Wendy L. Aumiller  
Wendy L. Aumiller  
Treasurer

**AMENDED AND RESTATED RATE SUPPLEMENT**

**WINDMILL FUNDING CORPORATION  
ABN AMRO BANK N.V.  
540 West Madison Street  
Chicago, Illinois 60661**

May 27, 2005

Cinergy Receivables Company LLC  
221 East Fourth Street  
Suite 2500  
Cincinnati, Ohio 45202

Re: Receivables Loan Agreement

Ladies and Gentlemen:

Reference is hereby made to that certain Rate Supplement (the "*Original Rate Supplement*"), dated as of February 14, 2002, by and among Windmill Funding Corporation ("*Windmill*"), ABN AMRO Bank N.V., as the Windmill-Agent and as a Liquidity Provider and the LOC Provider under the Transfer Agreement ("*ABN AMRO*"), and Cinergy Receivables Company LLC (the "*Seller*"). The Seller has requested that certain amendments be made to the Original Rate Supplement and, for the sake of clarity and convenience, that the Original Rate Supplement be restated in its entirety as so amended. This Amended and Restated Rate Supplement amends and replaces in its entirety the Original Rate Supplement, and from the date hereof all references made to the Original Rate Supplement in any Loan Documents or in any other instrument or document shall, without more, be deemed to refer to this Amended and Restated Rate Supplement.

This supplemental agreement ("*Rate Supplement*") is delivered in connection with (i) the Receivables Loan Agreement dated as of February 14, 2002 (as amended, restated or modified from time to time, the "*Conduit Agreement*") among Cinergy Receivables Company LLC ("*SPE*"), The Cincinnati Gas & Electric Company, as collection agent (the "*Collection Agent*"), Falcon Asset Securitization Corporation ("*Falcon*"), JPMorgan Chase Bank, N.A. (as successor by merger to Bank One, NA) ("*JPMorgan*"), as the servicing agent for Falcon, Windmill Funding Corporation ("*Windmill*"), ABN AMRO Bank N.V., as agent (the "*Windmill-Agent*") for Windmill and as a servicing agent and as the administrative agent (in such latter capacity, the "*Administrative Agent*") and (ii) the Receivables Loan Agreement dated as of February 14, 2002 (the "*Back-Stop Agreement*" and, together with the Conduit Agreement, the "*Loan Agreements*") among the SPE, the Collection Agent, JPMorgan and ABN AMRO Bank N.V. ("*ABN AMRO*"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreements or, if not defined therein, the Transfer

Agreement. Windmill, as a Lender under the Conduit Agreement and the Transfer Agreement, the Liquidity Providers and the LOC Provider under the Transfer Agreement, and ABN AMRO as a Lender under the Backstop Agreement are collectively referred to herein as the "Windmill Related Lenders" and each individually as a "Windmill Related Lender".

Under the Loan Agreements and the Transfer Agreement, the Windmill Related Lenders may make Loans to you. Such Loans shall be subject to the following supplemental terms and conditions:

1. *Defined Terms Relating to Purchase Discount and Fees.* When used in the Loan Agreements, the Transfer Agreement or this Rate Supplement in connection with the Interests owned by any Windmill Related Lender the following terms shall have the meanings set forth below:

*"Allocated Commercial Paper"* means commercial paper notes issued by Windmill for a tenor and in an amount specifically requested by any Person in connection with a Receivable Purchase Facility.

*"Break Funding Costs"* means for any Pool Funded Purchase Interest amounts payable to Windmill under the applicable Receivables Purchase Facility in connection with any prepayment or amortization if amounts payable thereunder in excess of the amount of the investment or loan prepaid or amortized and accrued and unpaid interest or discount thereon.

*"Carrying Costs"* means, for each Settlement Date, an amount equal to the sum of all Funding Charges, Early Collection Fees, Unpaid Purchase Premium, and fees under paragraphs 3(b) and 3(c) below owed to the Windmill Related Purchasers on the Settlement Date.

*"CP Rate"* means, for any CP Tranche Period, a rate per annum equal to (a) the weighted average of the rates at which commercial paper notes having a term equal to such CP Tranche Period may be sold by any placement agent or commercial paper dealer selected by Windmill, as agreed between such agent or dealer and Windmill plus (b) on or after the occurrence of a Termination Event, two percent (2%); *provided, however*, that if such rate is a discount rate, the CP Rate shall be the rate resulting from Windmill's converting such discount rate to an interest-bearing equivalent rate; *provided further, however*, that if Windmill determines that it is not able, or that it is impractical, to issue commercial paper notes for any period of time then, the CP Rate shall be the Prime Rate. The CP Rate shall include all costs and expenses to Windmill of issuing the related commercial paper notes, including all dealer commissions and note issuance costs in connection therewith.

*"Discount"* means, for any Tranche Period to which any part of a Windmill Related Lender's Investment is allocated, an amount equal to (a) the Tranche Rate for such Tranche Period multiplied by (b) the portion of the Loan Amount and any Unpaid Purchase Premium of the Windmill Related Lender allocated to such Tranche Period

multiplied by (c) the actual number of days elapsed during such Tranche Period divided by (d) 360 days. Discount shall not be considered paid if such payment is rescinded or must be returned for any reason.

*“Early Collection Fee”* means, if any Loan Amount of a Windmill Related Lender allocated to a CP Tranche Period or LIBOR Tranche Period is reduced or terminated before the last day of such Tranche Period (the amount of Loan Amount so reduced or terminated being referred to as the *“Prepaid Amount”*), the cost to the Windmill Related Lender of terminating or reducing such Tranche, which (a) for a CP Tranche Period means any compensation payable in prepaying the related commercial paper or, if not prepaid, any shortfall between the amount that will be available to Windmill on the maturity date of the related commercial paper from reinvesting the Prepaid Amount in Permitted Investments and the Face Amount of such related commercial paper and (b) for a LIBOR Tranche will be determined based on the difference between the LIBOR applicable to such Tranche and the LIBOR then applicable for a period equal to the remaining maturity of the Tranche.

*“Eurodollar Rate”* means, for any LIBOR Tranche Period, the sum of LIBOR for such Tranche Period and, for the Loan Amount of a Liquidity Provider, one hundred twenty five basis points (1.25%), or, for any Loan Amount of the LOC Provider, one hundred twenty five basis points (1.25%).

*“Federal Funds Rate”* means for any day the greater of (i) the average rate per annum as determined by ABN AMRO at which overnight Federal funds are offered to ABN AMRO for such day by major banks in the interbank market, and (ii) if ABN AMRO is borrowing overnight funds from a Federal Reserve Bank that day, the average rate per annum at which such overnight borrowings are made on that day. Each determination of the Federal Funds Rate by ABN AMRO shall be conclusive and binding on the SPE except in the case of manifest error.

*“Funding Charges”* means, for each day, the sum of (i) discount accrued on Pooled Commercial Paper on such day, plus (ii) any and all accrued commissions in respect of placement agents and commercial paper dealers in respect of such Pooled Commercial Paper for such day, plus (iii) issuing and paying agents’ fees incurred on such Pooled Commercial Paper for such day, plus (iv) other costs associated with funding small or odd-lot amounts with respect to all Receivable Purchase Facilities which are funded by Pooled Commercial Paper for such day, minus (v) any accrual of income net of expenses received on such day from investment of collections received under all Receivable Purchase Facilities funded with Pooled Commercial Paper, minus (vi) any payment received on such day net of expenses in respect of Break Funding Costs related to the prepayment of any Purchase Interests held by Windmill pursuant to the terms of any Receivable Purchase Facilities funded substantially with Pooled Commercial Paper.

*“LIBOR”* means, for any LIBOR Tranche Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a period equal to such Tranche Period, which appears on

Page 3750 of the Telerate Service (or any successor page or successor service that displays the British Bankers' Association Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London, England time) two Business Days before the commencement of such Tranche Period; *provided that* for any LIBOR Tranche Period established at the time any Loan Amount of Windmill is acquired by the Secondary Lenders from Windmill (as described in the third sentence of paragraph 2(b) hereof) if the Windmill Agent does not have at least three Business Days' notice of such transfer, the LIBOR applicable to such Loan Amount shall be the overnight or one-day LIBOR appearing on such page 3750 and three consecutive one Business Day LIBOR Tranche Periods (with the LIBOR recalculated each Business Day) shall apply to such Loan Amount before a new Tranche Period is established. If for any LIBOR Tranche Period no such displayed rate is available, the Windmill-Agent shall determine such rate based on the rates ABN AMRO is offered deposits of such duration in the London interbank market.

*"Pooled Allocation"* means, for each Pool Funded Purchase Interest, an amount each day equal to the product of (i) the Pooled Percentage Share of such Purchase Interest on such day multiplied by (ii) the aggregate amount of Funding Charges for such day.

*"Pooled Commercial Paper"* means commercial paper notes of Windmill except Allocated Commercial Paper.

*"Pool Funded Purchase Interest"* means each investment or loan of Windmill under a Receivables Purchase Facility funded with Pooled Commercial Paper.

*"Pooled Percentage Share"* means, for each Pool Funded Purchase Interest, a fraction (expressed as a percentage) the numerator of which is equal to the investment associated with such Pool Funded Purchase Interest and the denominator of which is equal to the aggregate amount of all outstanding investment (or comparable terms used in any Receivable Purchase Facility) held by Windmill which is funded substantially with Pooled Commercial Paper.

*"Prime Rate"* means, for any Prime Tranche Period (a) the greater of (i) the floating commercial loan rate per annum of ABN AMRO (which rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer by ABN AMRO) announced from time to time as its prime rate or equivalent for Dollar loans in the USA, changing as and when said rate changes and (ii) the Federal Funds Rate plus 0.75% plus (b) during the pendency of a Termination Event, 1-1/2% for Loan Amount of a Committed Lender and 1-1/2% for Loan Amount of the LOC Provider.

*"Purchase Premium"* means, for any Windmill Related Lender for a Settlement Period, in connection with any purchase of any Loan Amount of any other Windmill Related Lender pursuant to Section 2.3 or 2.4 of the Transfer Agreement during such Settlement Period an amount equal to the difference between the purchase price paid for such Loan Amount and the amount of Loan Amount acquired or, in the case of Windmill,



reacquired from such other Windmill Related Lender as calculated pursuant to the Conduit Sale Agreement.

*“Receivable Loan Facility”* means any receivables loan agreement or other similar contractual arrangement to which Windmill is a party relating to the transfer, purchase or financing of réceivables or other assets.

*“Tranche”* means a portion of the Loan Amount of a Windmill Related Lender allocated to a Tranche Period pursuant to paragraph 2 hereof. A Tranche is a (i) CP Tranche, (ii) LIBOR Tranche or (iii) Prime Tranche depending whether Discount accrues during its Tranche Period based on a (i) CP Rate, (ii) Eurodollar Rate, or (iii) Prime Rate.

*“Tranche Period”* means a period of days ending on a Business Day selected pursuant to paragraph 2, which (i) for a CP Tranche shall not exceed 270 days, (ii) for a LIBOR Tranche shall equal one month, and (iii) for a Prime Tranche shall be 2 days.

*“Tranche Rate”* means, for any Tranche Period, the CP Rate, the Eurodollar Rate or the Prime Rate, as applicable.

*“Transfer Agreement”* means the Amended and Restated Windmill Transfer Agreement dated as of February 14, 2002, among ABN AMRO, as the Windmill-Agent, ABN AMRO, as Windmill’s letter of credit provider, ABN AMRO, as a liquidity provider, the other parties who become liquidity providers thereunder and Windmill, as amended and supplemented.

*“Unpaid Purchase Premium”* means, for any Windmill Related Lender, any Purchase Premium paid by such Windmill Related Lender that was not reimbursed by the Originators on the date it was paid by such Lender pursuant to paragraph 2(e) hereof.

*“Unused Fee Percentage”* means, at any time, based upon the long-term unsecured debt rating of the Collection Agent the following percentages:

S&P Rating	Moody's Rating	Unused Fee Percentage
A- or higher	A3 or higher	.175%
BBB+	Baa1	.175%
BBB	Baa2	.200%
BBB-	Baa3	.225%
BB+	Ba1	.300%
Below BB+ or rating suspended or withdrawn by either	Ba1 or Below or rating suspended or withdrawn by either	.450%

S&P or Moody's	S&P or Moody's	
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For the purposes of the foregoing, if one of the two ratings established by Moody's and S&P shall be (i) one category lower than the other, the Unused Fee Percentage shall be determined by reference to the higher of the two ratings, and (ii) two or more categories lower than the other, the Unused Fee Percentage shall be determined by reference to the category next above that of the lower of the two ratings.

"Used Fee Percentage" means, at any time, based upon the long-term unsecured debt rating of the Collection Agent the following percentages:

S&P Rating	Moody's Rating	Used Fee Percentage
A- or higher	A3 or higher	.250%
BBB+	Baa1	.270%
BBB	Baa2	.300%
BBB-	Baa3	.350%
BB+	Ba1	.500%
Below BB+ or rating suspended or withdrawn by either S&P or Moody's	Below Ba1 or rating suspended or withdrawn by either S&P or Moody's	.750%

For the purposes of the foregoing, if one of the two ratings established by Moody's and S&P shall be (i) one category lower than the other, the Used Fee Percentage shall be determined by reference to the higher of the two ratings, and (ii) two or more categories lower than the other, the Used Fee Percentage shall be determined by reference to the category next above that of the lower of the two ratings.

"Windmill Funding Source" means any insurance company, bank or other financial institution providing liquidity, back-up purchase or credit support for Windmill.

2. *Tranche Periods and Tranche Rates.* (a) When the SPE provides notice of a Loan under Section 6.2(a) of either Loan Agreement, such request for a Loan must initially be made from Windmill and, only if Windmill is unwilling or unable to make such Loan, such request may be made from the Liquidity Providers and the LOC Provider. CP Tranches shall only be available for the Loan Amount of Windmill. The Agent shall allocate the Loan Amount of Windmill to Tranche Periods in its sole discretion. The SPE shall pay Funding Charges with respect to Windmill's Loan Amount for each day that any such Loan Amount is outstanding. Such Loan Amount will accrue Funding Charges each day based on the Pooled Allocation. On each Settlement Date, the SPE shall pay to the Windmill Agent (for the benefit of Windmill) an aggregate amount equal to all accrued and unpaid Funding Charges in respect of such Loan Amount for the immediately preceding Tranche Period. LIBOR Tranches shall only be available for Loan Amount of the Liquidity Providers or the LOC Provider. Subject to the provisions of

the next sentence and paragraph (c) below, all Loan Amounts of the Committed Lenders that are Windmill Related Lenders, the Liquidity Providers and the LOC Provider shall be automatically allocated to LIBOR Tranches. After the Termination Date or if the outstanding Loan Amount of any Committed Lender that is a Windmill Related Lender, any Liquidity Provider or the LOC Provider is less than \$1,000,000 then all Loan Amounts of the Liquidity Providers and the LOC Provider shall be allocated to a Prime Tranche. All Discount accrued on the Loan Amount of the Liquidity Providers and the LOC Provider during a Tranche Period shall be payable by the SPE on the last day of such Tranche Period.

(b) At any time that a Secondary Lender acquires any Loan Amount of Windmill pursuant to Section 2.3, or that Windmill reacquires any such Loan Amount pursuant to Section 2.4, of the Transfer Agreement, the Windmill Related Lender so acquiring or reacquiring Loan Amount shall automatically have its Loan Amount (and corresponding Investment Percentage) hereunder increased by the amount of such Loan Amount acquired or reacquired and from the date of such acquisition such increased Loan Amount, together with any Unpaid Purchase Premium related thereto, shall be allocated to a Tranche, as described herein. Any Loan Amount so acquired or reacquired from a Windmill Related Lender shall also automatically reduce the Loan Amount of such Windmill Related Lender by the amount of such acquisition or reacquisition and reduce or terminate the Tranche to which such Loan Amount was allocated.

(c) If any Windmill Related Lender determines (i) that maintenance of any of such Lender's LIBOR Tranches would violate any applicable law, rule, regulation or directive (whether or not having the force of law), (ii) that deposits of a type and maturity appropriate to match fund a LIBOR Tranche for such Windmill Related Lender's Investment are not available, or (iii) that the maintenance of any LIBOR Tranche will not adequately and fairly reflect the cost of such Windmill Related Lender of funding LIBOR Tranches (any event described in clause (i), (ii) or (iii), a "*Libor Disruption Event*"), then the availability of the affected LIBOR Tranches shall automatically be suspended and (if outstanding) terminated during the pendency of the LIBOR Disruption Event and the affected Loan Amount shall be reallocated as a Prime Rate Tranche. If the circumstances giving rise to the LIBOR Disruption Event no longer exist, the Loan Amount of the Liquidity Providers and LOC Provider shall again be allocated as described in paragraph (a) above.

(d) If there is (i) a reduction of any Loan Amount allocated to any CP Tranche or any LIBOR Tranche or (ii) the termination of any CP Tranche or LIBOR Tranche before the last day of the scheduled Tranche Period, the SPE shall upon demand pay to the Windmill-Agent (for the benefit of each Windmill Related Lender whose Loan Amount is thereby affected) the Early Collection Fee for such reduction or termination and, in all events, such Early Collection Fee shall be due on the first Settlement Date occurring after such reduction or termination of an Loan Amount.

(e) The SPE shall have the option of reimbursing the Windmill-Agent, for the account of the appropriate Windmill Related Lender, the amount of any Purchase Premium on the date it is paid by such Windmill Related Lender. Until used to pay Windmill commercial paper notes all proceeds of any purchase under the Transfer Agreement of any Loan Amount held by

Windmill shall be invested in "*Permitted Investments*". All earnings on such investments shall be promptly remitted to the Originator. "*Permitted Investments*" means (a) evidences of indebtedness, maturing not more than thirty (30) days after the date of purchase thereof, issued by, or the full and timely payment of which is guaranteed by, the full faith and credit of, the federal government of the United States of America, (b) repurchase agreements with banking institutions or broker-dealers that are registered under the Securities Exchange Act of 1934 fully secured by obligations of the kind specified in clause (a) above, (c) money market funds denominated in Dollars rated not lower than A-1 (and without the "r" symbol attached to any such rating) by S&P and P-1 by Moody's or otherwise acceptable to the Rating Agencies or (d) commercial paper denominated in Dollars issued by any corporation incorporated under the laws of the United States or any political subdivision thereof, provided that such commercial paper is rated at least A-1 (and without any "r" symbol attached to any such rating) thereof by S&P and at least Prime-1 thereof by Moody's.

3. *Discount, Fees and Other Costs and Expenses.* (a) *Discount.* All Discount accruing during a Settlement Period or Periods (during any period when there is more than one Settlement Date in a month), shall be paid by the SPE on the Settlement Date for such Settlement Period(s) that would be established by Section 7.1(a) of the Loan Agreements. On and after a Termination Event, all Discount (other than Discount accruing under a CP Tranche) shall accrue at the Prime Rate plus, for Loan Amount of a Liquidity Provider, 1-1/2% or, for Loan Amount of the LOC Provider, 1-1/2%. No provision hereof shall require the payment or permit the collection of Discount in excess of the maximum permitted by applicable law.

(b) *Used Fee.* The SPE agrees to pay to the Windmill-Agent (for the benefit of each Windmill Related Lender as the Windmill-Agent and such Windmill Related Lender shall separately agree), from the date hereof to the Collection Date, monthly in arrears on each Settlement Date, its pro rata portion of a used fee equal to Used Fee Percentage per annum, on the daily average amount of all commercial paper outstanding issued by all Windmill Related Lenders to make Loan Amounts during the preceding quarter or other period for which such fee accrued, calculated on the basis of actual number of days elapsed during the immediately preceding accrual period and a 360 day year.

(c) *Unused Fee.* The SPE agrees to pay to the Windmill-Agent (for the benefit of each Windmill Related Lender as the Windmill-Agent and such Windmill Related Lender shall separately agree), from the date hereof to the Collection Date, monthly in arrears on each Settlement Date, its pro rata portion of an unused fee equal to the Unused Fee Percentage on the Maximum Investment of the Windmill Related Lenders during the preceding quarter or other period for which such fee accrued *minus* the sum of (a) the aggregate amount of all commercial paper outstanding issued by all Windmill Related Lenders to make Loan Amounts *plus* (b) all Loan Amounts of ABN AMRO during the preceding quarter or other period for which such fee accrued, calculated on the basis of actual number of days elapsed during the immediately preceding accrual period and a 360 day year.

4. *Increased Cost and Reduced Return.* By way of clarification, and not of limitation of Section 11.5 of the Back-Stop Agreement, the SPE acknowledge and agree that the fees and other amounts payable by the SPE to the Lenders and the Windmill-Agent have been negotiated

on the basis that each Liquidity Provider's Commitment is a short term commitment with a "credit conversion factor" or equivalent term (a "Conversion Factor"), under each applicable law, rule, regulation, agreement, interpretation, guideline or directive regarding capital adequacy (each of the foregoing (whether now existing or hereafter in effect and whether or not having the force of law), a "Capital Standard") of zero percent (0%) for the unused portion of such Commitment and that the Windmill-Agent's role under the Transaction Documents is not subject to any capital requirement. If a Liquidity Provider or the Windmill-Agent determines it is required to maintain capital to support its Commitment, in the case of a Liquidity Provider, or performance of its obligations, in the case of the Windmill-Agent, if the LOC Provider determines that it is required to maintain capital to support its Commitment at a rate greater than a 100% Conversion Factor would require, or if any Windmill Related Lender determines it is required to hold, under any applicable Capital Standard, capital for its Loan Amount in excess of its Loan Amount, then the Windmill-Agent or such Windmill Related Lender shall be entitled to compensation pursuant to Section 11.5 of the Back-Stop Agreement. In addition, any Windmill Funding Source shall be entitled to the benefits of Sections 11.4 and 11.5 of the Back-Stop Agreement.

5. *Maximum Investment.* The aggregate "Maximum Investment" of Windmill and ABN AMRO under the Conduit Agreement and the Back-Stop Agreement, respectively, shall be \$200,000,000.

6. *Backstop Sale Agreement.* This Rate Supplement will apply to purchases under both Loan Agreements, except that from and after the Commencement Date of the Backstop Agreement, all references to the Windmill-Agent and a Liquidity Provider contained herein shall be references to ABN AMRO (and any of its assignees) as a Lender under the Backstop Agreement. References to Windmill and to the LOC Provider hereunder shall not apply after such Commencement Date.

7. *Execution in Counterparts.* This Rate Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

8. *Governing Law.* This Rate Supplement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

Please indicate your agreement with the foregoing by executing this Rate Supplement where indicated below and returning it to us, whereby it will become a binding agreement between us.

Very truly yours,

WINDMILL FUNDING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Windmill-  
Agent and as a Liquidity Provider and the  
LOC Provider under the Transfer Agreement

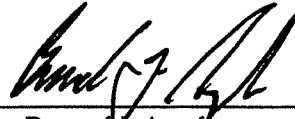
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Please indicate your agreement with the foregoing by executing this Rate Supplement where indicated below and returning it to us, whereby it will become a binding agreement between us.

Very truly yours,

WINDMILL FUNDING CORPORATION

By:   
Name: Bernard J. Angelo  
Title: Vice President

ABN AMRO BANK N.V., as the Windmill-  
Agent and as a Liquidity Provider and the  
LOC Provider under the Transfer Agreement

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

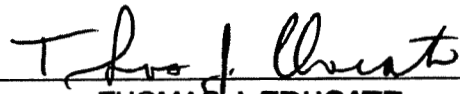
Please indicate your agreement with the foregoing by executing this Rate Supplement where indicated below and returning it to us, whereby it will become a binding agreement between us.

Very truly yours,

WINDMILL FUNDING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Windmill-  
Agent and as a Liquidity Provider and the  
LOC Provider under the Transfer Agreement

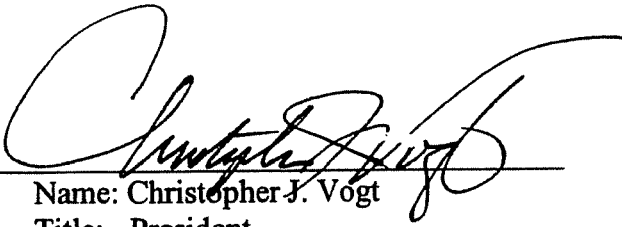
By:   
Name: THOMAS J. EDUCATE  
Title: SENIOR VICE PRESIDENT

By:   
Name: KEVIN J. HAYES  
Title: DIRECTOR



Acknowledged and agreed this  
27<sup>th</sup> day of May, 2005

CINERGY RECEIVABLES COMPANY LLC

By:   
Name: Christopher J. Vogt  
Title: President

**RATE SUPPLEMENT  
WINDMILL FUNDING CORPORATION  
ABN AMRO BANK N.V.  
135 South LaSalle Street  
Chicago, Illinois 60674-9135**

February 14, 2002

Cinergy Receivables Company LLC  
221 East Fourth Street  
Suite 2500  
Cincinnati, Ohio 45202

Re: Receivables Loan Agreement

Ladies and Gentlemen:

This supplemental agreement ("*Rate Supplement*") is delivered in connection with (i) the Receivables Loan Agreement dated as of February 14, 2002 (as amended, restated or modified from time to time, the "*Conduit Agreement*") among Cinergy Receivables Company LLC ("*SPE*"), The Cincinnati Gas & Electric Company, as collection agent (the "*Collection Agent*"), Jupiter Securitization Corporation ("*JSC*"), Bank One, NA ("*Bank One*"), as the servicing agent for JSC, Windmill Funding Corporation ("*Windmill*"), ABN AMRO Bank N.V., as agent (the "*Windmill-Agent*") for Windmill and as a servicing agent and as the administrative agent (in such latter capacity, the "*Administrative Agent*") and (ii) the Receivables Loan Agreement dated as of February 14, 2002 (the "*Back-Stop Agreement*" and, together with the Conduit Agreement, the "*Loan Agreements*") among the SPE, the Collection Agent, Bank One and ABN AMRO Bank N.V. ("*ABN AMRO*"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreements or, if not defined therein, the Transfer Agreement. Windmill, as a Lender under the Conduit Agreement and the Transfer Agreement, the Liquidity Providers and the LOC Provider under the Transfer Agreement, and ABN AMRO as a Lender under the Backstop Agreement are collectively referred to herein as the "*Windmill Related Lenders*" and each individually as a "*Windmill Related Lender*".

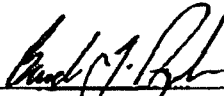
Under the Loan Agreements and the Transfer Agreement, the Windmill Related Lenders may make Loans to you. Such Loans shall be subject to the following supplemental terms and conditions:

1. *Defined Terms Relating to Purchase Discount and Fees.* When used in the Loan Agreements, the Transfer Agreement or this Rate Supplement in connection with the Interests owned by any Windmill Related Lender the following terms shall have the meanings set forth below:

Please indicate your agreement with the foregoing by executing this Rate Supplement where indicated below and returning it to us, whereby it will become a binding agreement between us.

Very truly yours,

WINDMILL FUNDING CORPORATION

By:   
Name: Bernard G. Angelo  
Title: Vice President

ABN AMRO BANK N.V., as the Windmill-  
Agent and as a Liquidity Provider and the  
LOC Provider under the Transfer Agreement

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Please indicate your agreement with the foregoing by executing this Rate Supplement where indicated below and returning it to us, whereby it will become a binding agreement between us.

Very truly yours,

WINDMILL FUNDING CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ABN AMRO BANK N.V., as the Windmill-  
Agent and as a Liquidity Provider and the  
LOC Provider under the Transfer Agreement

By: Thomas J. Educate  
Name: THOMAS J. EDUCATE  
Title: SENIOR VICE PRESIDENT

By: W. Robert Hoff  
Name: W. ROBERT HOFF  
Title: SENIOR VICE PRESIDENT

Acknowledged and agreed this  
14th day of February, 2002

CINERGY RECEIVABLES COMPANY LLC

By: Charles J. Winger  
Name: Charles J. Winger  
Title: President

SUBORDINATED NOTE

February 14, 2002

FOR VALUE RECEIVED, the undersigned, CINERGY RECEIVABLES COMPANY LLC, a Delaware corporation (the "SPE"), promises to pay to THE UNION LIGHT, HEAT AND POWER COMPANY, a Kentucky corporation (the "Originator"), on the terms and subject to the conditions set forth herein and in the Purchase Agreement referred to below, the principal sum of the aggregate unpaid Purchase Price of all Receivables purchased from time to time by the SPE from the Originator pursuant to such Purchase Agreement, as such unpaid Purchase Price is shown in the records of the Originator.

1. *Purchase Agreement.* This promissory note (this "Subordinated Note") is the Subordinated Note described in, and is subject to the terms and conditions set forth in, that certain Purchase and Sale Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Purchase Agreement"), by and between the Originator and the SPE. Reference is hereby made to the Purchase Agreement for a statement of certain other rights and obligations of the Originator and the SPE.

2. *Definitions.* Capitalized terms used (but not defined) herein have the meanings assigned thereto in the Purchase Agreement and in the Annex to the Second Tier Agreement dated as of even date herewith among the, the Collection Agent, the SPE, Windmill Funding Corporation ("Windmill") and ABN AMRO Bank N.V., as Servicing Agent and as Administrative Agent for the Lenders (as it may be amended or otherwise modified from time to time, the "Second Tier Agreement"). In addition, as used herein, the following terms have the following meanings:

*Bankruptcy Proceedings:* As defined in clause (b) of paragraph 9 hereof.

*Final Maturity Date:* The 60th day following the Final Payout Date.

*Final Payout Date:* means the date on which all amounts payable to the Senior Interest Holders under the Second Tier Agreement and the Back-Stop Agreement have been paid in full and the commitments of the Committed Lenders under the Back-Stop Agreement have been terminated.

*Interest Period:* The period from and including a Settlement Date (or, in the case of the first Interest Period, the date hereof) to but excluding the next Settlement Date.

*Senior Interest:* Collectively, (i) the obligation of the SPE and the Collection Agent to set aside, and to turn over, Collections and other proceeds of the Receivables and other collateral pledged to the Administrative Agent for the benefit of the Senior Interest Holders pursuant to the Second Tier Agreement and the Back-Stop Agreement and (ii) all other obligations of the SPE that are due and payable to any Senior Interest

Holder under the Second Tier Agreement and the Back-Stop Agreement, together with all interest accruing on any such amounts after the commencement of any Bankruptcy Proceedings (as defined herein), notwithstanding any provision or rule of law that might restrict the rights of any Senior Interest Holder, as against the SPE of anyone else, to collect such interest.

*Senior Interest Holders:* Collectively, the Lenders, the Committed Lenders, the Servicing Agents, the Administrative Agent and their respective officers, directors, employees, agents and affiliates.

3. *Interest.* Subject to the provisions set forth below, the SPE promises to pay interest on this Subordinated Note as follows:

(a) Prior to the Final Payout Date, the aggregate unpaid Purchase Price owing to the Originator under the Purchase Agreement from time to time outstanding during any Interest Period shall bear interest at a rate *per annum* equal to the LIBOR (as defined in the Rate Supplement) as in effect from time to time on the first Business Day of each Settlement Period, as determined by the Originator, plus 1.00%; and

(b) From (and including) the Final Payout Date to (but excluding) the date on which the entire aggregate unpaid Purchase Price owing to the Originator under the Purchase Agreement is fully paid, the aggregate unpaid Purchase Price owing to the Originator under the Purchase Agreement from time to time outstanding shall bear interest at a rate *per annum* equal to the LIBOR (as defined in the Rate Supplement) as in effect from time to time on the first Business Day of each Settlement Period, as determined by the Originator, *plus* 1.00%,

but in no event in excess of the maximum rate permitted by law. In the event that, contrary to the intent of the Originator and SPE, SPE pays interest hereunder and it is determined that such interest rate was in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal then due hereunder.

4. *Interest Payment Dates.* Subject to the provisions set forth below, the SPE shall pay accrued interest on this Subordinated Note on each Settlement Date, and shall pay accrued interest on the amount of each principal payment made in cash on a date other than a Settlement Date at the time of such principal payment.

5. *Basis of Computation.* Interest accrued hereunder shall be computed for the actual number of days elapsed on the basis of a 360 day year and actual days elapsed.

6. *Principal Payment Dates.* Subject to the provisions set forth below, payments of the principal amount of this Subordinated Note shall be made as follows:

(a) The principal amount of this Subordinated Note shall be reduced from time to time pursuant to Section 3.2 of the Purchase Agreement or otherwise upon

demand of the Originator and may be reduced from time to time with sums paid on behalf of the SPE as contemplated in Section 7.2.1(a) of the Second Tier Agreement and the Back-Stop Agreement;

(b) The entire remaining outstanding balance of this Subordinated Note shall be paid on the Final Maturity Date.

Subject to the provisions set forth below, any payment of the principal amount of and accrued interest on this Subordinated Note may be made on any Business Day without premium or penalty.

7. *Payments.* All payments of principal and interest hereunder are to be made in lawful money of the United States of America.

8. *Enforcement Expenses.* In addition to and not in limitation of the foregoing, but subject to the provisions set forth below and to any limitation imposed by applicable law, the SPE agrees to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Originator in seeking to collect any amounts payable hereunder which are not paid when due.

9. *Provisions Regarding Restrictions on Payment.* The SPE covenants and agrees, and the Originator, by its acceptance of this Subordinated Note, likewise covenants and agrees on behalf of itself and any holder of this Subordinated Note, that the payment of the principal amount of, and interest on, this Subordinated Note is hereby expressly subject to certain restrictions set forth in the following clauses of this paragraph 9:

(a) No payment or other distribution of the SPE's assets of any kind or character, whether in cash, securities, or other rights or property, shall be made on account of this Subordinated Note except to the extent such payment or other distribution is permitted under the Subordinated Note, the Purchase Agreement, the Second Tier Agreement and the Back-Stop Agreement;

(b) In the event of any dissolution, winding up, liquidation, readjustment, reorganization or other similar event relating to the SPE, whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the SPE or any sale of all or substantially all of the assets of the SPE (such proceedings being herein collectively called "*Bankruptcy Proceedings*"), the Senior Interests shall first be paid and performed in full and in cash before the Originator shall be entitled to receive and to retain any payment or distribution in respect to this Subordinated Note. In order to implement the foregoing, the Originator hereby irrevocably agrees that the Administrative Agent, in the name of the Originator or otherwise, may demand, sue for, collect, receive and receipt for any and all such payments or distributions, and the file, prove and vote or consent in any such Bankruptcy Proceedings with respect to any and all claims of the Originator relating to this



Subordinated Note, in each case until the Senior Interests shall have been paid and performed in full and in cash;

(c) In the event that the Originator receives any payment or other distribution of any kind or character from the SPE or from other source whatsoever, in respect of this Subordinated Note, other than as expressly permitted by the terms of this Subordinated Note, such payment or other distribution shall be received for the sole benefit of the Senior Interest Holders and shall be turned over by the Originator to the Administrative Agent (for the benefit of the Senior Interest Holders) forthwith;

(d) Notwithstanding any payments or distributions received by the Senior Interest Holders in respect of this Subordinated Note, while any Bankruptcy Proceedings are pending the Originator shall not be subrogated to the then existing rights of the Senior Interest Holders in respect of the Senior Interests until the Senior Interests have been paid and performed in full and in cash. Upon the occurrence of the Final Payout Date, the Originator shall be subrogated to the then existing rights of the Senior Interest Holders, if any;

(e) The Provisions set forth in this Section 9 are intended solely for the purpose of defining the relative rights of the Originator, on the one hand, and the Senior Interest Holders on the other hand. Nothing contained in this Subordinated Note is intended to or shall impair, as between the SPE, its creditors (other than the Senior Interest Holders) and the Originator, the SPE's obligation, which is unconditional and absolute, to pay the Originator the principal of and interest on this Subordinated Note as and when the same shall become due and payable in accordance with the terms hereof or to affect then relative rights of the Originator and creditors of the SPE (other than the Senior Interest Holders);

(f) The Originator shall not, until the Senior Interests have been paid and performed in full and in cash, transfer, pledge or assign, or commence legal proceedings to enforce or collect this Subordinated Note or any rights in respect hereof;

(g) The Originator shall not, without the advance written consent of the Administrative Agent, commence, or join with any other Person in commencing, any Bankruptcy Proceedings with respect to the SPE until at least one year and one day shall have passed since the Final Payout Date shall have occurred;

(h) If, at any time, any payment (in whole or in part) of any Senior Interest is rescinded or must be restored or returned by a Senior Interest Holder (whether in connection with Bankruptcy Proceedings or otherwise), these provisions shall continue to be effective or shall be reinstated, as the case may be, as though such payment had not been made;

(i) The Originator hereby waives; (i) notice of acceptance of these provisions by any of the Senior Interest Holders; (ii) notice of the existence, creation, non-payment or non-performance of all or any of the Senior Interests; and (iii) all diligence in

enforcement, collection or protection of, or realization upon, the Senior Interests, or any thereof, or any security therefor;

(j) These provisions constitute a continuing offer from the holder of this Subordinated Note to all Persons who become the holders of, or who continue to hold, Senior Interests; and these provisions are made for the benefit of the Senior Interest Holders, and the Administrative Agent or the Lenders may proceed to enforce such provisions on behalf of each of such Persons.

10. *General.* (a) No failure or delay on the part of the Originator in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No amendment, modification or waiver of, or consent with respect to, any provision of this Subordinated Note shall in any event be effective unless (i) the same shall be in writing and signed and delivered by the SPE and the Originator and (ii) all consent required for such actions under the Transaction Documents shall have been received by the appropriate Persons.

(b) The Originator hereby agrees that it will not (i) institute against, join any other Person in instituting against or take any action, direct or indirect, in furtherance or contemplation of instituting against, the SPE any bankruptcy, insolvency, winding up, dissolution, receivership, conservatorship or other similar proceeding or action or (ii) exercise any right of set-off or recoupment, or assert any counterclaim, against the SPE, in each case so long as there shall not have elapsed one year and one day since the Final Payout Date has occurred.

(c) The Originator expressly recognizes and agrees that the obligations represented by this Subordinated Note are not secured by any interest in any of the assets of the SPE, including, without limitation, any Receivables.

11. *No Negotiation.* This Subordinated Note is not negotiable. Any purported sale, transfer, assignment or negotiation of this Subordinated Note shall be void without the prior written consent of ABN AMRO Bank N.V., as Administrative Agent.

12. *Governing Law.* THIS PROMISSORY NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS.

13. *Captions.* Paragraph captions used in this Subordinated Note are for convenience only and shall not affect the meaning or interpretation of any provision of this Subordinated Note.

CINERGY RECEIVABLES COMPANY LLC

By: Charles J. Winger  
Name: Charles J. Winger  
Title: President

SUBORDINATED NOTE

February 14, 2002

FOR VALUE RECEIVED, the undersigned, CINERGY RECEIVABLES COMPANY LLC, a Delaware corporation (the "SPE"), promises to pay to PSI ENERGY INC., an Indiana corporation (the "Originator"), on the terms and subject to the conditions set forth herein and in the Purchase Agreement referred to below, the principal sum of the aggregate unpaid Purchase Price of all Receivables purchased from time to time by the SPE from the Originator pursuant to such Purchase Agreement, as such unpaid Purchase Price is shown in the records of the Originator.

1. *Purchase Agreement.* This promissory note (this "Subordinated Note") is the Subordinated Note described in, and is subject to the terms and conditions set forth in, that certain Purchase and Sale Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Purchase Agreement"), by and between the Originator and the SPE. Reference is hereby made to the Purchase Agreement for a statement of certain other rights and obligations of the Originator and the SPE.

2. *Definitions.* Capitalized terms used (but not defined) herein have the meanings assigned thereto in the Purchase Agreement and in the Annex to the Second Tier Agreement dated as of even date herewith among the, the Collection Agent, the SPE, Windmill Funding Corporation ("Windmill") and ABN AMRO Bank N.V., as Servicing Agent and as Administrative Agent for the Lenders (as it may be amended or otherwise modified from time to time, the "Second Tier Agreement"). In addition, as used herein, the following terms have the following meanings:

*Bankruptcy Proceedings:* As defined in clause (b) of paragraph 9 hereof.

*Final Maturity Date:* The 60th day following the Final Payout Date.

*Final Payout Date:* means the date on which all amounts payable to the Senior Interest Holders under the Second Tier Agreement and the Back-Stop Agreement have been paid in full and the commitments of the Committed Lenders under the Back-Stop Agreement have been terminated.

*Interest Period:* The period from and including a Settlement Date (or, in the case of the first Interest Period, the date hereof) to but excluding the next Settlement Date.

*Senior Interest:* Collectively, (i) the obligation of the SPE and the Collection Agent to set aside, and to turn over, Collections and other proceeds of the Receivables and other collateral pledged to the Administrative Agent for the benefit of the Senior Interest Holders pursuant to the Second Tier Agreement and the Back-Stop Agreement and (ii) all other obligations of the SPE that are due and payable to any Senior Interest Holder under the Second Tier Agreement and the Back-Stop Agreement, together with all

interest accruing on any such amounts after the commencement of any Bankruptcy Proceedings (as defined herein), notwithstanding any provision or rule of law that might restrict the rights of any Senior Interest Holder, as against the SPE of anyone else, to collect such interest.

*Senior Interest Holders:* Collectively, the Lenders, the Committed Lenders, the Servicing Agents, the Administrative Agent and their respective officers, directors, employees, agents and affiliates.

3. *Interest.* Subject to the provisions set forth below, the SPE promises to pay interest on this Subordinated Note as follows:

(a) Prior to the Final Payout Date, the aggregate unpaid Purchase Price owing to the Originator under the Purchase Agreement from time to time outstanding during any Interest Period shall bear interest at a rate *per annum* equal to the LIBOR (as defined in the Rate Supplement) as in effect from time to time on the first Business Day of each Settlement Period, as determined by the Originator, plus 1.00%; and

(b) From (and including) the Final Payout Date to (but excluding) the date on which the entire aggregate unpaid Purchase Price owing to the Originator under the Purchase Agreement is fully paid, the aggregate unpaid Purchase Price owing to the Originator under the Purchase Agreement from time to time outstanding shall bear interest at a rate *per annum* equal to the LIBOR (as defined in the Rate Supplement) as in effect from time to time on the first Business Day of each Settlement Period, as determined by the Originator, *plus* 1.00%,

but in no event in excess of the maximum rate permitted by law. In the event that, contrary to the intent of the Originator and SPE, SPE pays interest hereunder and it is determined that such interest rate was in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal then due hereunder.

4. *Interest Payment Dates.* Subject to the provisions set forth below, the SPE shall pay accrued interest on this Subordinated Note on each Settlement Date, and shall pay accrued interest on the amount of each principal payment made in cash on a date other than a Settlement Date at the time of such principal payment.

5. *Basis of Computation.* Interest accrued hereunder shall be computed for the actual number of days elapsed on the basis of a 360 day year and actual days elapsed.

6. *Principal Payment Dates.* Subject to the provisions set forth below, payments of the principal amount of this Subordinated Note shall be made as follows:

(a) The principal amount of this Subordinated Note shall be reduced from time to time pursuant to Section 3.2 of the Purchase Agreement or otherwise upon demand of the Originator and may be reduced from time to time with sums paid on behalf

of the SPE as contemplated in Section 7.2.1(a) of the Second Tier Agreement and the Back-Stop Agreement;

(b) The entire remaining outstanding balance of this Subordinated Note shall be paid on the Final Maturity Date.

Subject to the provisions set forth below, any payment of the principal amount of and accrued interest on this Subordinated Note may be made on any Business Day without premium or penalty.

7. *Payments.* All payments of principal and interest hereunder are to be made in lawful money of the United States of America.

8. *Enforcement Expenses.* In addition to and not in limitation of the foregoing, but subject to the provisions set forth below and to any limitation imposed by applicable law, the SPE agrees to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Originator in seeking to collect any amounts payable hereunder which are not paid when due.

9. *Provisions Regarding Restrictions on Payment.* The SPE covenants and agrees, and the Originator, by its acceptance of this Subordinated Note, likewise covenants and agrees on behalf of itself and any holder of this Subordinated Note, that the payment of the principal amount of, and interest on, this Subordinated Note is hereby expressly subject to certain restrictions set forth in the following clauses of this paragraph 9:

(a) No payment or other distribution of the SPE's assets of any kind or character, whether in cash, securities, or other rights or property, shall be made on account of this Subordinated Note except to the extent such payment or other distribution is permitted under this Subordinated Note, the Purchase Agreement, the Second Tier Agreement and the Back-Stop Agreement;

(b) In the event of any dissolution, winding up, liquidation, readjustment, reorganization or other similar event relating to the SPE, whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the SPE or any sale of all or substantially all of the assets of the SPE (such proceedings being herein collectively called "*Bankruptcy Proceedings*"), the Senior Interests shall first be paid and performed in full and in cash before the Originator shall be entitled to receive and to retain any payment or distribution in respect to this Subordinated Note. In order to implement the foregoing, the Originator hereby irrevocably agrees that the Administrative Agent, in the name of the Originator or otherwise, may demand, sue for, collect, receive and receipt for any and all such payments or distributions, and the file, prove and vote or consent in any such Bankruptcy Proceedings with respect to any and all claims of the Originator relating to this Subordinated Note, in each case until the Senior Interests shall have been paid and performed in full and in cash;

(c) In the event that the Originator receives any payment or other distribution of any kind or character from the SPE or from other source whatsoever, in respect of this Subordinated Note, other than as expressly permitted by the terms of this Subordinated Note, such payment or other distribution shall be received for the sole benefit of the Senior Interest Holders and shall be turned over by the Originator to the Administrative Agent (for the benefit of the Senior Interest Holders) forthwith;

(d) Notwithstanding any payments or distributions received by the Senior Interest Holders in respect of this Subordinated Note, while any Bankruptcy Proceedings are pending the Originator shall not be subrogated to the then existing rights of the Senior Interest Holders in respect of the Senior Interests until the Senior Interests have been paid and performed in full and in cash. Upon the occurrence of the Final Payout Date, the Originator shall be subrogated to the then existing rights of the Senior Interest Holders, if any;

(e) The Provisions set forth in this Section 9 are intended solely for the purpose of defining the relative rights of the Originator, on the one hand, and the Senior Interest Holders on the other hand. Nothing contained in this Subordinated Note is intended to or shall impair, as between the SPE, its creditors (other than the Senior Interest Holders) and the Originator, the SPE's obligation, which is unconditional and absolute, to pay the Originator the principal of and interest on this Subordinated Note as and when the same shall become due and payable in accordance with the terms hereof or to affect then relative rights of the Originator and creditors of the SPE (other than the Senior Interest Holders);

(f) The Originator shall not, until the Senior Interests have been paid and performed in full and in cash, transfer, pledge or assign, or commence legal proceedings to enforce or collect this Subordinated Note or any rights in respect hereof;

(g) The Originator shall not, without the advance written consent of the Administrative Agent, commence, or join with any other Person in commencing, any Bankruptcy Proceedings with respect to the SPE until at least one year and one day shall have passed since the Final Payout Date shall have occurred;

(h) If, at any time, any payment (in whole or in part) of any Senior Interest is rescinded or must be restored or returned by a Senior Interest Holder (whether in connection with Bankruptcy Proceedings or otherwise), these provisions shall continue to be effective or shall be reinstated, as the case may be, as though such payment had not been made;

(i) The Originator hereby waives; (i) notice of acceptance of these provisions by any of the Senior Interest Holders; (ii) notice of the existence, creation, non-payment or non-performance of all or any of the Senior Interests; and (iii) all diligence in enforcement, collection or protection of, or realization upon, the Senior Interests, or any thereof, or any security therefor;

(j) These provisions constitute a continuing offer from the holder of this Subordinated Note to all Persons who become the holders of, or who continue to hold, Senior Interests; and these provisions are made for the benefit of the Senior Interest Holders, and the Administrative Agent or the Lenders may proceed to enforce such provisions on behalf of each of such Persons.

10. *General.* (a) No failure or delay on the part of the Originator in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No amendment, modification or waiver of, or consent with respect to, any provision of this Subordinated Note shall in any event be effective unless (i) the same shall be in writing and signed and delivered by the SPE and the Originator and (ii) all consent required for such actions under the Transaction Documents shall have been received by the appropriate Persons.

(b) The Originator hereby agrees that it will not (i) institute against, join any other Person in instituting against or take any action, direct or indirect, in furtherance or contemplation of instituting against, the SPE any bankruptcy, insolvency, winding up, dissolution, receivership, conservatorship or other similar proceeding or action or (ii) exercise any right of set-off or recoupment, or assert any counterclaim, against the SPE, in each case so long as there shall not have elapsed one year and one day since the Final Payout Date has occurred.

(c) The Originator expressly recognizes and agrees that the obligations represented by this Subordinated Note are not secured by any interest in any of the assets of the SPE, including, without limitation, any Receivables.

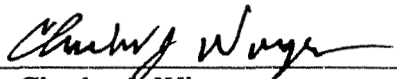
11. *No Negotiation.* This Subordinated Note is not negotiable. Any purported sale, transfer, assignment or negotiation of this Subordinated Note shall be void without the prior written consent of ABN AMRO Bank N.V., as Administrative Agent.

12. *Governing Law.* THIS PROMISSORY NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS.



13. *Captions.* Paragraph captions used in this Subordinated Note are for convenience only and shall not affect the meaning or interpretation of any provision of this Subordinated Note.

CINERGY RECEIVABLES COMPANY LLC

By:   
Name: Charles J. Winger  
Title: President

## **FACILITIES AND SERVICES AGREEMENT**

This agreement (Agreement), is made and entered into as of February 1, 2002 by and among The Cincinnati Gas & Electric Company (CG&E), an Ohio corporation, PSI Energy, Inc. (PSI), an Indiana corporation, The Union Light Heat & Power Company (ULH&P), a Kentucky corporation, and The Lawrenceburg Gas Company (LGC), an Indiana corporation, (together the Operating Companies) and the respective associate companies listed on the signature pages attached to this agreement (Telecommunications Company individually and Telecommunications Companies together).

### **WITNESSETH:**

WHEREAS, the Operating Companies are direct or indirect subsidiaries of Cinergy Corp. (Cinergy), a registered holding company under the Public Utility Holding Company Act of 1935 (PUHCA), as amended, and a public-utility company as therein defined; and

WHEREAS, each of the Telecommunications Companies is a direct or indirect subsidiary of Cinergy, and within the meaning of PUHCA or applicable rules, regulations or administrative precedent of the Securities and Exchange Commission (SEC) and of the Federal Communications Commission (FCC) is an exempt telecommunications company or telecommunications carrier, as those terms are defined in Section 103 of the Telecommunications Act of 1996, codified at 15 U.S.C. § 79z-5c, Section 34 of PUHCA and at 47 U.S.C. § 153, Section 44, respectively;

WHEREAS, the Operating Companies have entered into this Agreement to implement their planning for their long-term telecommunications and data transmission needs for the safe, reliable, and efficient operation of the electric and gas systems;

WHEREAS, of the signatory Telecommunications Companies to this Agreement, Cinergy Telecommunication Network-Ohio, Inc. (CTN-Ohio) is also a public utility and telephone company as defined in Ohio Revised Code Sections 4905.02, 4905.03 (A)(2) and 4927.01 (E) and holds a certificate of public convenience and necessity to provide competitive telecommunications services in Ohio; and

WHEREAS, of the signatory Telecommunications Companies to this Agreement, Cinergy Telecommunication Network-Indiana, Inc. (CTN-Indiana) is also a public utility and telephone company as defined in Indiana Code Section 8-1-2-1 and holds a certificate of territorial authority to provide competitive telecommunications services in Indiana; and

WHEREAS, of the signatory Telecommunications Companies to this Agreement, Cinergy Telecommunication Network-Kentucky, Inc. (CTN-Kentucky) is also a public utility and telephone company as defined in Kentucky Revised Statute 278.010 and holds a certificate of public convenience and necessity to provide competitive telecommunications services in Kentucky; and

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

WHEREAS, the Operating Companies and Telecommunications Companies have entered into this Agreement whereby each may transfer or exchange assets, rights in real property, personnel and services as anticipated by the Telecommunications Act of 1996 and constrained by state and federal obligations applicable to such activities, including applicable affiliate transaction obligations.

NOW THEREFORE in consideration of the premises and the mutual covenants contained in this Agreement, the Parties agree to the following:

#### ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES

Section 1.1 Provision of Services. The provision of services under this Agreement affects the relationship between the Telecommunications Companies and the Operating Companies. Separate agreements exist and are effective regarding transactions that are the subjects of this Agreement when entered into between The Operating Companies and the Service Companies and between the Telecommunications Companies and the Service Companies.

(a) Upon receipt by a Party hereto (in such capacity, a Service Provider) of a written request in substantially the form attached hereto as Exhibit A (Service Request) from another counter-Party hereto (in such capacity, Client Company) for the provision to such Client Company of such services as are specified in the Service Request, including if applicable use of any related equipment, facilities, properties, employees, or other resources (collectively, Services), the Service Provider shall furnish such Services to the Client Company pursuant to the following: The Service Provider shall perform such services at such times, for such periods, and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions of this Agreement, if in its sole discretion it has available the personnel or other resources needed to perform the Service Request without impairment of its utility

responsibilities or business operations. In supplying such services, the Service Provider may arrange, where it deems appropriate, for the services of such experts, consultants, advisers and other persons with necessary qualification as are required for or pertinent to the rendition of such services.

(b) For purposes of this Agreement, Services may include, but shall not be limited to: (i) in the case of Services that may be provided to Telecommunications Companies by the Operating Companies, services in such areas as engineering and construction, operations and maintenance, and equipment testing; and (ii) in the case of Services that may be provided by Telecommunications Companies to the Operating Companies, services in such areas as authorized telecommunications and information services, maintenance, and related services. No such transaction may include the provision of information or other services by the Operating Companies that may result in an undue or unreasonable competitive advantage under law to any Telecommunications Company.

(c) The Operating Companies may provide utility services to Telecommunications Companies on the same terms and conditions as it would supply similarly situated unaffiliated customers.

(d) Telecommunication Companies may provide utility services to the Operating Companies on the same terms and conditions as they would supply similarly situated unaffiliated customers.

#### Section 1.2 Loaned Employees.

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

(b) While performing work on behalf of Client Company, any such loaned employees shall be under its supervision and control. Client Company shall be responsible for the actions of such employees to the same extent as though such persons were its employees. Such persons shall

nevertheless remain employees of Service Provider and nothing herein shall be construed as creating an employer-employee relationship between any Client Company and any loaned employees. Accordingly, for the duration of any such employee loan, Service Provider shall continue to provide such loaned employees with the same benefits that such employees receive prior to the loan date, including but not limited to, the following: wages; pension; insurance, including workers' compensation; savings; tax withholding; unemployment; bookkeeping; and other personnel support services.

## ARTICLE 2. SERVICE REQUESTS

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

ARTICLE 3. COMPENSATION FOR FACILITIES AND SERVICES Section 3.1 Cost of Facilities/Services. Except as may be required pursuant to Section 6.5, with respect to regulatory requirements, as compensation for any Facilities or Services rendered to it pursuant to this Agreement, Client Company shall pay to Service Provider the full cost of the Facilities or Services as computed in accordance with applicable rules, regulations and accounting standards, including Rules 90 and 91 under PUHCA. As soon as practicable after the close of each month, Service Provider shall render to each Client Company a statement reflecting the billing information necessary to identify the costs charged for that month. All amounts so billed shall be paid by Client Company within 30 days after its receipt of the billing statement.

## ARTICLE 4. FACILITIES TRANSFER

Section 4.1 Scope of Facilities Transfers.

Under this Agreement, the Parties may from time to time transfer rights, including leaseholds, in their facilities or property to counter-parties. For purposes of this Agreement, the term Facilities shall mean the Parties' facilities, or portions thereof, including those facilities used primarily for the transmission and/or distribution of electric power or natural gas. The Parties will memorialize each transfer by signing an agreement for such transfer. When the Facilities transfer from an Operating Company to a Telecommunications Company is effected by leasehold agreement, such leasehold may be effected in substantially the same form as the attached Exhibit B (Project Description). Telecommunications Company understands and agrees that any transfers of rights in Facilities or real property are subject to such restrictions and conditions as are, in the Operating Company's sole judgment, necessary to ensure the safety, reliability and operating efficiency of the Operating Company's electric and gas operations. The Operating Company shall be under no obligation to establish, construct or otherwise provide additional facilities for transfer, including a leasehold interest, to Telecommunications Company unless the Operating Company, in its sole discretion, believes such establishment, construction or provisioning of additional facilities to be in its own best interests.

a) Under this Agreement, Telecommunications Company anticipates that it will construct one or more Fiber Optic Lines for the Operating Company and then lease strands within the Fiber Optic Line from the Operating Company, according to the terms set out in Section 4.2 below. For purposes of this Agreement, Fiber Optic Line means a single fiber optic telecommunications line or cable containing multiple optical fibers, some of which are to be used by Telecommunications Company and others to be used by the Operating Company under this Agreement. It may also include all hardware and appurtenances necessary for the installation, splicing and termination of the Fiber Optic Line retained by the Operating Company, including regenerator or termination sites, and any electronic switches or other equipment attached to or used in conjunction with the Fiber Optic Line. Except where otherwise noted or agreed, Telecommunications Company will be responsible for the construction, repair and maintenance of the Fiber Optic Line.

The parties will memorialize a particular project by signing an agreement in substantially the same form as the attached Exhibit B.

Section 4.2. Compensation for Fiber Leasehold Agreement. Subject to the order of the Public Utilities Commission of Ohio (PUCO), the Indiana Utility Regulatory Commission (IURC), or the Kentucky Public Service Commission (KPSC) (together Commissions) as appropriate, approving this agreement, and all other relevant orders of the Commissions and all modifications to such

orders, when both Parties receive rights in facilities that have been placed in rate base after the effective date of this Agreement, the construction of those facilities and Telecommunications Company compensation to the Operating Company for those facilities shall be addressed as follows:

a) Telecommunications Company will have constructed, and pay the costs of construction, for new facilities. The Operating Company will own the facilities constructed. It will reserve two (2) or more dark fibers, or capacity as may be needed by the Operating Company to meet its long-term planning needs, free of any recurring monthly maintenance or as agreed upon in Exhibit B. Except for the attachment to Operating Company poles of any fiber downed by cuts in the fiber, Telecommunications Company will perform all maintenance on and repair of the facilities, consistent with its own and industry telecommunications standards and cooperatively when required with the Operating Company according to the Operating Company's and industry engineering standards. Except for fiber retained by the Operating Company, Telecommunications Company will be responsible for terminating the fibers and providing the electronics or other equipment attached to or used in conjunction with the dark fibers constructed under this Agreement. Telecommunications Company will enter into a long-term lease for the use of or purchase the fibers in the Fiber Optic Line that are not reserved for the Operating Company, subject to the conditions in this Agreement. Under this Agreement and in exchange for Telecommunications Company's construction of the Fiber Optic Line and its maintenance and repair of the Line, Telecommunications Company will not be responsible for the payment to the Operating Company of pole attachment, conduit or right-of-way fees for access to the Operating Company's poles and rights-of-way.

b) Telecommunications Company shall, where it owns the Fiber Optic Line, reimburse the Operating Company for its pro-rata share of any construction, maintenance and repair costs that the Operating Company may incur, insurance, property taxes, distribution pole attachment fees, if any, and other similar costs associated with its use of Operating Company Facilities. For any portion of the repair of a Fiber Optic Line for which the Operating Company incurs cost and/or provides service, Telecommunications Company will pay the Operating Company the cost of such repair.

c) To the extent that utility costs directly assignable to transactions under this Agreement may change due to municipal ordinance, statute, rule, order, contract, or settlement and such costs are unrecoverable through rates, each party will assume its pro-rata share of such costs.

**Section 4.3. Equipment.** Unless the Parties otherwise agree, each Party will be responsible for supplying and installing its own electronic and associated equipment beyond the facilities that the Operating Company has established, constructed or otherwise provided under this Agreement or beyond the facilities that are used in common such as equipment rooms and regeneration facilities. Telecommunications Company may connect its communications capacity with its facilities, including the equipment of communications systems belonging to it, its customers or third parties. The Parties shall each be responsible for further upgrades to electronics needed for their own purposes.

**Section 4.4. Maintenance of Telecommunications Company Facilities.** Unless otherwise agreed, all of Telecommunications Company's electronics that it installs and connects to its facilities shall be maintained by Telecommunications Company and will not be owned by the Operating Company. Telecommunications Company shall be responsible for promptly performing the maintenance and repair on the fiber optic cable facilities that are attached to or within the Operating Company's facilities and remedying complete or partial outage conditions. The Operating Company will be responsible for maintenance and repair of its facilities that relate to the normal activities associated with the transmission and distribution system. If any repairs affecting Telecommunications Company are caused by the negligence or willful act of the Operating Company, then the Operating Company will pay the costs of repair or replacement of the affected facilities.

**Section 4.5. Relocation.** This Agreement is subject to the right of the Operating Company, without liability to Telecommunications Company or its customers, to relocate, modify the geographic routing of, or to remove, replace or change, the location of any of its facilities in such a manner as will best enable the Operating Company, in its sole discretion, to fulfill its electric or gas service or other business requirements. When facilities are to be moved or replaced, The Operating Company will give Telecommunications Company advanced written notice where practical of such move or replacement and cooperate with Telecommunications Company in planning such move or replacement in order to preserve the connectivity and continuity of services of Telecommunications Company and that of its customers. When Operating Company facilities are to be removed, the Operating Company shall give advance written notice to Telecommunications Company of such removal so that Telecommunications Company may make alternative arrangements for its facilities and equipment affected by such removal. Telecommunications Company shall not be responsible for any costs of relocation, modification of the geographic routing of, removal, replacement or change in the location of its facilities that affects Telecommunications Company's facilities and related service, except insofar as such changes are caused by Telecommunications Company, such as attachment to an Operating Company pole that must be



upgraded to accommodate Telecommunications Company attachment or an upgrade of Telecommunications Company's attachment to a pole.

In the event that any relocation of Operating Company facilities is necessitated by the lawful requirements of governmental authorities or a need to replace Operating Company facilities that are, in the Operating Company's sole judgment, deteriorated or worn out, the Parties, if required by law, shall share the cost, on a pro-rata basis, of restoring the facilities that the Parties physically share. Nothing in this Agreement is meant to limit the right of either Party to seek compensation from any governmental authority for the costs of such relocation or replacement.

#### ARTICLE 5. LIMITATION OF LIABILITY; INDEMNIFICATION

Section 5.1 Limitation of Liability/Services. In performing Services pursuant to Section 1.1 of this Agreement, Service Provider will exercise due care to assure that the Services are performed in a workmanlike manner in accordance with the specifications set forth in the applicable Service Request and consistent with any applicable legal standards. The sole and exclusive responsibility of Service Provider for any deficiency in performing Services requested shall be promptly to correct or repair such deficiency or to re-perform such Services, in either case at no additional cost to Client Company, so that the Services fully conform to the standards described in the first sentence of this Section 5.1. Service Provider makes no other warranty with respect to the provision of Services, and each Client Company agrees to accept any Services without further warranty of any nature.

Section 5.2 Limitation of Liability/Loaned Employees. In furnishing Services under Section 1.2 hereof, involving loaned employees, neither the Service Provider, nor any officer, director, employee or agent thereof, shall have any responsibility whatever to any Client Company receiving such Services, and Client Company specifically releases Service Provider and such persons, on account of any claims, liabilities, injuries, damages or other consequences arising in connection with the provision of such Services under any theory of liability, whether in contract, tort, including negligence or strict liability, or otherwise, it being understood and agreed that any such loaned employees are made available without warranty as to their suitability or expertise.

Section 5.3 Disclaimer. WITH RESPECT TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT, THE SERVICE PROVIDER THEREOF MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 5.1, AND THE PARTIES TO THIS AGREEMENT HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY

AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, SHALL BE APPLICABLE TO THE PROVISION OF ANY SUCH SERVICES. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

Section 5.4 Indemnification. In respect of any Services provided under this Agreement, any Client Company that issued the Service Request requesting such Services shall defend, indemnify and hold harmless the Service Provider, and each of its officers, directors, employees and agents, from and against, and shall pay the full amount of, any loss, liability, claim, damages, expense, including costs of investigation and defense and reasonable attorney's fees, whether or not involving a third-party claim (collectively, Damages), arising, directly or indirectly, from or in connection with the provision of such Services. Such indemnity shall apply regardless of whether the Damages result from any asserted or actual negligence or willful misconduct of, or breach of warranty by, the Service Provider or any of its officers, directors, employees or agents. Such indemnity shall not apply, however, to the extent that Service Provider receives insurance proceeds in respect of any such Claim.

Section 5.5 Procedure for Indemnification. Within 10 days after receipt by Service Provider of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (Proceeding) with respect to which it is eligible for indemnification hereunder, Service Provider shall notify the applicable Client Company thereof. Failure to so notify Client Company shall not relieve the Client Company of its indemnification obligation, unless Client Company establishes that defense thereof has been prejudiced by such failure. Thereafter, Client Company shall be entitled to participate in such Proceeding and, at its election upon notice to Service Provider, to assume the defense of such Proceeding. If Service Provider has given timely notice to Client Company of the commencement of such Proceeding, but Client Company has not, within 10 days after receipt of such notice, given notice to Service Provider of its election to assume the defense thereof, Client Company shall be bound by any determination made in such Proceeding or any compromise or settlement made by Service Provider. A claim for indemnification for any matter not involving a third-Party claim may be asserted by notice from Service Provider to the applicable Client Company.

## ARTICLE 6. MISCELLANEOUS

Section 6.1 Amendments in Writing; State Review. Any amendments to this Agreement shall be in writing executed by each of the Parties hereto. Such

amendments shall be effective upon approval by the appropriate Commission. In the absence of a Commission order, Amendments shall be deemed approved and effective sixty (60) days after notice to the Commission of the pending amendment(s).

Section 6.2 Effective Date: Term. This Agreement shall become effective as of the day and year first above written, subject to the receipt of the required regulatory approvals, and shall continue in full force and effect as to each Party until terminated by any Party, as to itself only, upon not less than 30 days prior written notice to the other Parties to this Agreement. Any such termination of Parties shall not be deemed an amendment and shall not require adherence to the procedures set forth in Section 6.1. This Agreement may be terminated with respect to all parties pursuant to the requirements of section 6.14 of this Agreement.

Section 6.3 Additional Parties. After the effective date of this Agreement, additional Telecommunications Companies, whether or not such telecommunications company is an exempt telecommunications company, may become Parties to this Agreement by executing appropriate signature pages, whereupon any such additional signatory shall be deemed a Party hereto for all purposes hereof and shall thereupon become bound by the terms and conditions of this Agreement as if an original Party hereto. The addition of any such further signatories, in the absence of any changes to the terms of this Agreement, shall not be deemed an amendment hereto and shall not be subject to the procedures described in Section 6.1. The Operating Company shall notify the Commissions within 45 days after any Telecommunications Company is added as a Party to this Agreement.

Section 6.4 Entire Agreement. This Agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes any prior or concurrent understandings with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 6.5 Severability; Regulatory Requirements. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby. Without limiting the generality of the foregoing, the provision of Services or the transfers of rights in facilities and property pursuant to this Agreement shall in all cases, and notwithstanding anything herein to the contrary, be subject to any limitations or restrictions contained in any applicable orders or authorizations, statutory provisions, rules or regulations, tariffs, or agreements, whether now in existence or

hereinafter promulgated, of those regulatory or governmental agencies, including without limitation the Commissions, SEC, the FCC and Federal Energy Regulatory Commission (FERC), having jurisdiction over any of the Parties hereto. To the extent that at any provision of this Agreement conflicts with any such limitation or restriction of any such other regulatory agencies, such limitation shall control.

Until otherwise changed by law, the Operating Companies have and shall continue to have ultimate responsibility, to the extent provided under Title 49 of the Ohio Revised Code, Title 8 of the Indiana Code, and Chapter 278 of the Kentucky Revised Statutes, the Commissions' rules and orders, regarding the Operating Companies' customer inquiries, complaints, and customer relations; billing services, metering services, information services, and other energy utility services presently regulated by the Commissions, and inquires and complaints thereto, regardless of whether such services are provided by an affiliate or by any other arrangement. Similarly, as a public utility and telephone company as defined in the Ohio Revised Code, Indiana Code, and Kentucky Revised Statutes, and until otherwise provided by law, CTN-Ohio, CTN-Indiana, and CTN Kentucky have and shall continue to have ultimate responsibility, to the extent provided under Title 49 of the Ohio Revised Code, Title 8 of the Indiana Code, and Chapter 278 of the Kentucky Revised Statutes, Commission rules and orders, regarding CTN-Ohio, CTN-Indiana, and CTN-Kentucky customer inquiries, complaints, and customer relations; billing services, information services, and other telecommunications services presently regulated by the Commission, and inquires and complaints thereto, regardless of whether such services are provided by an affiliate or by any other arrangement.

Section 6.6 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto, provided that a Service Provider shall not be entitled to assign or subcontract to any third Party any of Service Provider's obligations under this Agreement or under any Service Request issued hereunder without the prior approval of each affected Client Company.

Any assignment of this Agreement to an entity that is not an affiliate of Cinergy Corp., that would be effected through the acquisition of a Party to this Agreement either by asset purchase or merger, where the surviving corporation is not a Cinergy Corp., affiliate, is prohibited.

Section 6.7 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Ohio, Indiana, or Commonwealth of Kentucky based on the state of incorporation of the transacting parties, without regard to conflicts of laws principles.

**Section 6.8 Captions.** The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, hereof, hereunder, herein, hereto, and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

**Section 6.9 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

**Section 6.10 Customer Information Disclosure.** The Operating Companies and the Telecommunications Companies understand and agree that Telecommunications Companies shall not have access to, share or have the opportunity to obtain the Operating Companies' customer information except to the extent that is otherwise permitted to other telecommunications companies under applicable state and federal law, rules and regulations, and tariffs, including law affecting the privacy and disclosure of customer information, as they exist today and as changed from time to time.

Operating Company customer information released to a Telecommunications Company may not be shared or supplied by that Telecommunications Company with or to another Operating Company Affiliate or Cinergy Subsidiary, unless such Affiliate will be performing billing or other customer services on behalf of Telecommunications Company. In such case, the Affiliate performing such services must observe the same rules as it currently is obliged to observe when it has access to such Operating Company's customer information.

**Section 6.11 Force Majeure.** No Party will be responsible for performing under this Agreement or for liability for any damages caused by its failure to perform because of circumstances beyond its reasonable control that impair or prevent its ability to perform. Such circumstances include, but are not limited to, weather conditions and conditions resulting from such weather, including flood, tornado, earthquake, sleet and snow and like conditions, accidents, fires, cable cuts and vandalism caused by third parties, explosions, labor disputes including strikes, civil and other public disturbances, actions by government. Such conditions affecting a Party's performance shall not relieve such Party of liability in the event of its failure to use reasonable means to remedy the conditions or the results thereof with reasonable dispatch.

The Party experiencing the *force majeure* condition shall give notice as soon as practicable after its discovery of the condition to the other Party of its inability to perform, providing if possible an estimate of the time required to cure the

condition. Upon cure of the condition and the renewed ability of the Party's ability to perform, it shall give notice to the other Party of its ability to perform as soon as practicable after such cure of the condition and its results affecting performance. Under this section of the Agreement, the Party experiencing the *force majeure* condition may provide notice to the other Parties affected by the Party's nonperformance by whatever means is reasonable under the circumstances as long as such Party takes due care in giving notice to the appropriate representatives of the other Parties.

**Section 6.12 Notices.** Unless otherwise indicated herein or unless otherwise agreed to by the Parties in specific transactions, all notices shall be in writing and sent or delivered by regular mail, fax or electronic mail to persons specified by each Party.

**Section 6.13 Confidentiality.** In light of the competitive circumstances, including regulatory changes, in both the energy and telecommunications markets, the Parties understand and agree that they will be exchanging information and entering into agreements for services and the transfer of facilities and other rights in property, the disclosure of which is likely to harm their competitive positions in their respective markets. Therefore, they agree that the business information, materials, and business plans that they provide to or discuss with each other, their Service Requests and agreements entered into pursuant to such requests, the terms and conditions, including prices for transfers of assets and other rights in property are deemed to be confidential unless the disclosing Party indicates otherwise.

(a) Each Party shall, during the term of this Agreement and thereafter, take all steps reasonably necessary to hold in trust and confidence and to protect from disclosure to the public or third parties information of the other that it knows or has reason to know is the trade secret or confidential information of the other.

(b) Confidential information does not include:

- (i) information that is now or hereafter becomes, through no act or omission of the Party receiving the information, generally known or available in the relevant industry or industries, or is now in or later enters the public domain through no act or omission of the Party receiving the information;
- (ii) information that was acquired by the receiving Party prior to entering into this Agreement and without restrictions on the information's use and disclosure;
- (iii) information that has been or is hereafter received by the receiving Party from a third party who has rightfully and lawfully disclosed the information to the receiving Party;

(iv) information that the receiving Party discloses pursuant to written permission of the Party whose confidential information is to be disclosed under such permission.

If a Party receives a request for disclosure of the confidential information of the other Party pursuant to lawful order, such as discovery requests or court order, that Party will give immediate notice to the other of such request and the Parties will cooperate to obtain a protective order or other lawful protection against disclosure of such confidential information in the public record or otherwise.

Section 6.14 Term and Termination. This Agreement is entered into as of the date first written above and shall become effective subject to the receipt of required regulatory approvals, and shall continue in force until terminated by the Operating Companies, with one year's written notice to the other Parties, or by unanimous agreement of all Parties. This Agreement shall also be subject to termination or modification pursuant to section 6.5 of this Agreement at any time to the extent performance under this Agreement is found to conflict with the law. When a Party determines that such conflict exists, it shall give notice as soon as practicable of the termination or need for modification of the Agreement because of such conflict.

If this Agreement is terminated for any reason, those provisions that by their nature would survive or otherwise expressly survive the termination will survive termination, including but not limited to, protection of confidential information and indemnification.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed on its behalf by an appropriate officer thereunto duly authorized, as of the respective dates set forth below.

<p>THE CINCINNATI GAS &amp; ELECTRIC COMPANY          BY: <u>[Signature]</u>          ITS: <u>Vice president</u>          DATE: <u>02.04.02</u></p>	<p>PSI ENERGY, INC.          BY: <u>[Signature]</u>          ITS: <u>PRESIDENT</u>          DATE: <u>2/7/02</u></p>
<p>LAWRENCEBURG GAS COMPANY          BY: <u>[Signature]</u>          ITS: <u>Vicepresident</u></p>	<p>THE UNION LIGHT HEAT AND POWER COMPANY          BY: <u>[Signature]</u>          ITS: <u>vicepresident</u></p>

DATE: <u>02-04-02</u>	DATE: <u>02-04-02</u>
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<p>CINERGY TELECOMMUNICATIONS NETWORKS-INDIANA, INC.</p> <p>BY: <u><i>Richard C. [Signature]</i></u></p> <p>ITS: <u>Vice President</u></p> <p>DATE: _____</p>	<p>CINERGY TELECOMMUNICATIONS NETWORKS-KENTUCKY, INC.</p> <p>BY: _____</p> <p>ITS: _____</p> <p>DATE: _____</p>
<p>CINERGY TELECOMMUNICATIONS NETWORKS-OHIO, INC.</p> <p>BY: _____</p> <p>ITS: _____</p> <p>DATE: _____</p>	



**Exhibit A**

**FORM OF SERVICE REQUEST**

<u>Client Company:</u>	<u>Approved By:</u> Name: Title:
<u>Proposed Service Provider/ Description of Proposed Services:</u>	
<u>Estimated Costs:</u>	
<u>Scheduled Start Date:</u>	<u>Scheduled Completion Date:</u>
<u>Service Provider:</u>	<u>Approved By:</u> Name: Title:

**EXHIBIT B- PROJECT DESCRIPTIONS**

**PROJECT DESCRIPTION # \_\_\_**

**1. Project Defined.**

Section 1

Fiber: Telecommunication Company, at its cost, to install one (1) fiber optic cable or FOG Wire and related fiber strands, splices and terminations.

Route:

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It is understood that the Fiber may, at Telecommunication Company's discretion, be placed in the Power Zone along such Route. It is also understood that Telecommunication Company will be allowed to place the Fiber in a position that will require the least amount of make ready work.  
(Approximately \_\_\_ miles).

Both parties will use best efforts to have Fiber described in this Section 1 installed on or before \_\_\_\_\_, 2\_\_\_\_.

**2. Applicable Operating Company Strands/ Telecommunication Company Strands Defined.**

On the terms of the Agreement, the Applicable Operating Company will retain \_\_\_ of the single-mode fiber strands installed along the Route described in Section 1 above. On the terms of the Agreement, the Applicable Operating Company may elect two (2) fiber strands or that number of fiber strands, which equals five percent (5%) of the total number of strands Telecommunication Company installs along that Route, rounded to the nearest even number (See Footnote 1 from Section 10 of the Agreement and Footnote 2 from Section 13 of the Agreement). Alternatively, the Applicable Operating Company may elect zero (0) fiber strands, in which case Telecommunication Company would provide transmission capacity (1 T1, 1 DS3 or 1 OC3) between any two (2) of the

following Telecommunication Company points-of-presence ("Telecommunication Company POP"): a Telecommunication Company POP located along the Route described in Section 1 above or a Telecommunication Company POP located at an end of the Route described in Section 1 above.

Telecommunication Company will lease the fiber strands installed along this Route that are not retained by the Operating Company.

**3. Special Terms.**

*Ground Space (Optional at Telecommunication Company's Discretion).* The Applicable Operating Company hereby leases to Telecommunication Company for fair market value of \$\_\_\_\_\_, receipt of which is hereby acknowledged, and Telecommunication Company hereby leases from such Company for fair market value of \$\_\_\_\_\_, a \_\_\_\_\_ square foot portion of ground space on property already owned by such Company at an Operating Company's substation along with ingress and egress thereto, sufficient for Telecommunication Company to construct up to a \_\_\_\_\_ square foot building and to locate certain equipment associated with the operation of its fiber optic network. The parties agree to use their best efforts to identify the exact ground space and to prepare, sign and file in the appropriate court office a Memorandum of said Lease within ninety (90) days of the date Telecommunication Company first intends to use such ground space.

**4. Basic Agreement.** This Project Description is hereby incorporated in its entirety into the Agreement between the Applicable Operating Company and the Applicable Telecommunication Company, and is effective as of this \_\_\_\_ day of \_\_\_\_ 2\_\_\_\_\_.

Applicable Telecommunication Company      The Applicable Operating Company

Company Name: \_\_\_\_\_ Company Name: \_\_\_\_\_  
By: \_\_\_\_\_ By: \_\_\_\_\_

**Indiana Addendum No. 1**

The following is applicable only to PSI Energy, Inc. and Telecommunication Companies.

**ADDITIONAL COMMITMENTS:**

1. PSI Energy, Inc.'s utility transmission and distribution facilities shall be subject to the requirements of 47 U.S.C. § 224, and PSI Energy, Inc. agrees to make such facilities available to other telecommunication carriers on a non-discriminatory basis, on rates, terms, and conditions that are just and reasonable.
2. The Parties agree that the rights conferred under this Agreement to Telecommunication Companies are non-exclusive, and shall not preclude another unaffiliated telecommunication carrier from accessing PSI Energy, Inc.'s utility transmission and distribution facilities, consistent with PSI Energy, Inc.'s general rules and guidelines applicable to all telecommunication carrier attachments.

**FIBER AGREEMENT**

This Agreement is made as of this 1st day of October 2000, by and between **The Cincinnati Gas & Electric Company** ("CG&E"), an Ohio corporation, **PSI Energy, Inc.** ("PSI"), an Indiana corporation, **The Union Light Heat & Power Company** (ULH&P), a Kentucky corporation, **The Lawrenceburg Gas Company** ("LGC"), an Indiana corporation, **The West Harrison Gas And Electric Company** ("WHG&E"), an Indiana corporation, and **Kentucky Data Link, Inc.** ("KDL"), a Kentucky corporation. CG&E, PSI, ULG&P, LGC and WHG&E, are herein collectively called the "Operating Companies" and individually called an "Operating Company." The Operating Companies are subsidiaries of **Cinergy Corp.** ("Cinergy"), a Delaware corporation.

In consideration of the mutual covenants and terms and conditions contained in this Agreement, the parties agree as follows:

**GENERAL AGREEMENTS AND UNDERSTANDINGS**

1. The Operating Companies provide electricity and natural gas to customers in the states of Indiana, Ohio and Kentucky. In connection with those operations and throughout the above states, the Operating Companies own or control certain poles, towers, conduits and related facilities (collectively called "Utility Structures") and rights of way related to such Structures (the "Cinergy Service Territory"). The Operating Companies require dark fiber strands or Fiber Optic Capacity throughout the Cinergy Service Territory, for their internal intra-company communications in connection with the above described operations. KDL desires to install fiber optic routes on behalf of the Operating Companies throughout portions of the Cinergy Service Territory along Routes determined by KDL from time to time on the terms and conditions stated in this Agreement.
2. Fiber installed along a Route under this Agreement will be owned by the Operating Company(ies) that owns or controls the Utility Structures and rights of way along such Route (called the "Applicable Operating Company"); the Applicable Operating Company shall retain two (2) dark fiber strands, or Fiber Optic Capacity (as defined in the Glossary Section), along each such Route for its internal telecommunication and data transmission needs. Additionally, the Applicable Operating Company shall have the option of retaining more than two (2) dark fiber strands in accordance with Footnote 1 at the bottom of page 3 below. The Applicable Operating Company will lease unneeded dark fibers to KDL via an indefeasible right of use ("IRU") in consideration for KDL's construction, maintenance and repair of the Fiber along that Route.
3. KDL has entered into this Agreement in an effort to expand its telecommunications business throughout the states of Indiana, Ohio and Kentucky.
4. The Operating Companies have entered into this Agreement to implement their planning for their long-term telecommunications and data transmission needs for the safe, reliable, and efficient operation of their electric and gas systems.

5. By working together on the Fiber Projects covered by this Agreement, the parties believe they can effect economies in the development of their desired fiber resources and in the continued operation and maintenance thereof.
6. Each defined term shall have the meaning ascribed to such term in the attached "Glossary of Terms."

### PROJECT PLANNING

7. At such time that KDL desires to add a Fiber Project to this Agreement, it shall inform the Applicable Operating Company of such decision. The parties shall then work together, in good faith and in compliance with applicable laws, to schedule the timing of the installation of the ~~Route(s) to be covered by such Fiber Project in a manner that will allow each to meet its~~ desired completion date for that Fiber Project. Further, the Applicable Operating Company shall diligently work to provide KDL with both (a) a reasonable estimate of the costs to perform any make ready work required for the contemplated Fiber Project and (b) the fiber count the Applicable Operating Company desires for that Fiber Project, subject to terms set forth in this Agreement. If the parties are able to agree on the timing schedule and make ready estimate, in accordance with the Operating Companies' Telecom Queuing Process, KDL shall provide the Applicable Operating Company with a Project Description for that Fiber Project. Unless otherwise agreed, the Project Description shall be in the form of Exhibit A attached hereto. Upon receipt of a signed Project Description from KDL, the Applicable Operating Company shall countersign and return a fully signed original of such Project Description to KDL unless there is a statutory, administrative or physical impediment. Each such Project Description will be added to this Agreement and shall be governed by the terms set forth herein. Prior existing Agreements may be governed by the terms and conditions of this Agreement, subject to the agreement of the parties hereto.

### CONSTRUCTION

8. Engineering/Planning. The Operating Companies and KDL agree that KDL shall engineer and otherwise design each Route that is made a part of this Agreement in accordance with the Operating Companies' Guide for Installing Fiber Optic Cable. KDL shall be responsible for the costs incurred by it in connection with such efforts.
9. Make-Ready. The Applicable Operating Company shall diligently perform all make ready work along each Route that is made a part of this Agreement. KDL shall reimburse the applicable Operating Company for the cost of all such work.

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page

10. **Construction and Installation.** After the Applicable Operating Company performs the necessary make ready work, KDL, at its cost<sup>1</sup>, shall have the Fiber constructed along the Route. All such work shall comply (i) with reasonable and customary construction practices and (ii) with the minimum requirements of applicable governmental regulations and codes, including, but not limited to, the National Electrical Code ("NEC") and National Electrical Safety Code ("NESC").

#### MAINTENANCE

11. **Fiber.** KDL shall, at its own expense, perform all maintenance required to keep the Fiber, including that fiber retained by the Operating Companies, in good working order, condition and repair, ordinary wear and tear excepted, throughout the useful life of the Fiber (and at its discretion, KDL may replace certain of the Fiber from time to time). KDL's maintenance shall be done in accordance with telecommunication industry standards. In the event maintenance is required on Fibers that are located in the Power Zone on Operating Company Utility Structures (distribution or transmission), unless otherwise required by law, such maintenance shall be coordinated by KDL, who will employ the Operating Company or a qualified contractor (such qualifications to be reasonably set by Operating Company) to perform such maintenance. KDL shall be responsible for the actual cost associated with such work<sup>2</sup>.

- (a) KDL shall give at least two days' notice to the Applicable Operating Company before performing any non-emergency maintenance on any of the Fiber installed on that Operating Company's Utility Structures. For any emergency maintenance, KDL shall give the Applicable Operating Company at least one hour's notice. Such notice shall be given to the Applicable Operating Company at 1-800-262-3000

<sup>1</sup> The Applicable Operating Company may increase the number of fiber strands it retains (*i.e.* the fiber strands it does not lease to KDL) along a Route from two (2) fiber strands to that number of fiber strands, which equals five percent (5%) of the total number of strands KDL installs along that Route, rounded to the nearest even number (for example, if KDL installs a 96 count along a particular Route, the Applicable Operating Company may increase the number of fiber strands it retains along that Route to 4; if KDL installs a 144 count along a particular Route, the Applicable Operating Company may increase the number of fiber strands it retains along that Route to 8.). The election to increase such count shall be made prior to construction and reflected in the Project Description for that Fiber Project; and the Applicable Operating Company shall be responsible for its pro-rata share of Fiber costs related to such increased fiber count.

<sup>2</sup> If the Applicable Operating Company increases the number of fiber strands controlled by it along a Route above two (2), it shall reimburse KDL for the pro-rata share (based on the ratio of the number of such excess strands on the Route to the number of all strands on the Route) of KDL's reasonable out-of-pocket costs for maintenance and repair work related to such increased fiber count.

- (b) KDL shall give at least two days' notice to the Applicable Operating Company before performing any non-emergency maintenance on any of the Fiber installed on that Operating Company's Utility Structures. For any emergency maintenance, KDL shall give the Applicable Operating Company at least one hour's notice. Such notice shall be given to the Applicable Operating Company at 1-800-262-3000
- (c) In the event emergency maintenance needs to be performed on the Applicable Operating Company's Utility Structures, that Operating Company reserves the right to commence and complete any such electric maintenance or restoration work prior to allowing KDL access to repair or maintain its Fiber. If requested by that Operating Company's personnel, KDL shall cease repair work and vacate the repair site until that Operating Company's maintenance and restoration procedures are complete.

**12. Relocation.** This Agreement is subject to the right of the Operating Company, without liability to KDL or its customers, to relocate, modify the geographic routing of, or to remove, replace or change, the location of any of its facilities in such a manner as will best enable the Operating Company, in its sole discretion, to fulfill its electric or gas service or other business requirements. When facilities are to be moved or replaced, the Operating Company will give KDL advanced written notice, where practical, of such move or replacement and cooperate with KDL in planning such move or replacement in order to preserve the connectivity and continuity of services of KDL and that of its customers. When Operating Company facilities are to be removed, the Operating Company shall give advance written notice to KDL of such removal so that KDL may make alternative arrangements for its facilities and equipment affected by such removal. KDL shall be responsible for its pro-rata share of any costs of relocation, modification of the geographic routing of, removal, replacement or change in the location of its facilities that affects KDL's facilities and related service, insofar as such changes are caused by KDL, such as attachment to an Operating Company supporting structures that must be upgraded to accommodate KDL's attachment or an upgrade of KDL's attachment to a supporting structure.

In the event that any relocation of Operating Company Utility Structures is necessitated by the lawful requirements of governmental authorities or a need to replace Operating Company Utility Structures that are, in the Operating Company's sole reasonable judgment, deteriorated or worn out, the Parties, if required to by law, shall share the cost, on a pro-rata basis, as reasonably determined by Operating Company, of restoring the facilities that the Parties physically share. If the parties are not, by law, required to share such costs, the Applicable Operating Company shall be responsible for any such costs. Nothing in this Agreement is meant to limit the right of either Party to seek compensation from any governmental authority for the costs of such relocation or replacement.

**13. Operating Company Utility Structures.** The Operating Companies shall, throughout the Term of this Agreement, at their expense maintain their Utility Structures in good working order, condition and repair.

#### INTERESTS/RIGHTS

**14. Legal Title/Lease Arrangement.** The Applicable Operating Company shall own all of the Fiber installed pursuant to this Agreement; and KDL shall automatically and without further action,



have an indefeasible, fully paid-up (with no periodic lease payments), fully transferable lease on the portion of the Fiber controlled by it along the Routes (the "IRU Fibers"). This indefeasible right to use ("IRU") is an exclusive and irrevocable right, subject to termination only as provided herein, to use the IRU Fibers; provided that the grant of such IRU does not convey legal title to KDL in the IRU Fibers. On the lease commencement date, the Applicable Operating Company agrees that all of such Operating Company's rights and remedies under any manufacturer's or similar warranties that apply to the leased Fiber shall be automatically assigned to KDL. All right, title and interest in all of KDL's other facilities and associated equipment to be placed along the Route(s) (transmission hardware, etc.) shall at all times remain exclusively with KDL.

15. Rights/Restrictions.

- (a) The Fiber controlled by KDL may be used for any lawful purpose by KDL or any third party KDL allows to use such Fiber. KDL understands and agrees that such leasehold is subject to such restrictions and conditions as are, in the Operating Company's sole reasonable judgment, necessary to ensure the safety, reliability and operating efficiency of the Operating Company's electric and gas operations.
- (b) The Fiber controlled by the Applicable Operating Company is nontransferable except as specified in section 20 of this Agreement and may only be used by the Operating Companies for their own internal intra-company communications needs.

16. Liens and Encumbrances. So long as KDL is not in default under the Fiber Lease, PSI hereby agrees and covenants that it will not cause or permit an event of default to occur and continue under its Indenture dated September 1, 1939, as amended and supplemented (the "PSI Mortgage") such that the Trustee or the bondholders under the PSI Mortgage take possession of, foreclose upon, or sell the leased fibers free and clear of the rights of the Lessee under the Fiber Agreement.

So long as KDL is not in default under the Fiber Agreement, CG&E hereby agrees and covenants that it will not cause or permit a completed default to occur and continue under its First Mortgage dated as of August 1, 1936, as amended and supplemented (the "CG&E Mortgage") such that the Trustee or the bondholders under the CG&E Mortgage take possession of, foreclose upon, or sell the leased fibers free and clear of the rights of the Lessee under the Fiber Agreement.

The Operating Companies shall keep the Fiber leased to KDL, free from any and all liens and claims, except for the above referred to PSI mortgage and CG&E mortgage.

PSI represents to KDL that Section 7 of Article X of the PSI Mortgage provides that, so long as PSI is not in default thereunder, PSI may execute and deliver a lease or leases in the usual form for any of its non-utility property that the interest of the lessee or lessees under any such lease shall be free from the lien of the PSI Mortgage; and that upon the request of the Company the Trustee shall execute and deliver such documents as in the opinion of counsel may be necessary to free from the lien of the PSI Mortgage the interest of the lessee under any such lease, but the interest of PSI, as lessor under any such lease, shall be subject to the lien of the PSI Mortgage. PSI further represents that the term "opinion of counsel" is defined in the PSI Mortgage as an opinion in writing signed by counsel appointed by the Board of Directors of PSI and approved by the Trustee. As soon as

practicable after the execution and delivery of the Fiber Agreement, PSI agrees to request the Trustee under the PSI Mortgage to execute and deliver such documents as in the opinion of counsel may be necessary to free from the lien of the PSI Mortgage the interest of the Lessee under the Fiber Agreement pursuant to Section 7 of Article X of the PSI Mortgage.

In connection with the sale of the leased fibers by KDL to CG&E, KDL shall retain a vendor's lien or purchase money mortgage lien on such leased fibers to secure CG&E's obligation to pay the purchase price of such lease Fibers as set forth in the Fiber Agreement, which lien shall exist on the date of acquisition of such leased fibers by CG&E and continue for the term of the Fiber agreement. CG&E agrees to execute and deliver and file such Uniform Commercial Code financing statements and other documents as shall be reasonably requested by KDL from time to time to perfect such lien.

17. Interconnection. At each end of a Route, and at the splice points designated in the applicable Project Description, each party shall be responsible for, and pay all costs associated with, installing equipment and facilities necessary in order to utilize fiber strands under its control and each shall also be responsible for, and pay all costs associated with, interconnecting its fiber strands to such equipment. All access to the Fiber shall be arranged through, and performed by, KDL or a KDL contractor, in accordance with section 11 of this Agreement.

#### GENERAL TERMS & CONDITIONS

18. Term. This Agreement shall become effective upon its execution and shall continue in effect for a term of ninety-nine (99) years. Thereafter, the Agreement shall automatically renew on a year to year basis, unless and until terminated by either party on six (6) months notice.

(a) Significant Regulatory Change. If an applicable legislature, Court of competent jurisdiction, or administrative agency alters or amends a statute, rule, or order such that it is economically unreasonable for the affected party to continue under this Agreement or any Fiber Project related to this Agreement, as applicable, and the parties are not able, after negotiating in good faith, to come to a mutually agreeable equitable solution, the affected party may immediately terminate this Agreement or the affected Fiber Project, as applicable, after providing the other party with notice of such altered or amended statute, rule, or order.

(b) Regulatory Changes not Applicable to 18 (a). If neither party exercises its rights pursuant to Section 18(a) of this Agreement then to the extent that utility costs directly assignable to transactions under this Agreement may change due to municipal ordinance, statute, rule, order, contract, or settlement and such costs are unrecoverable through rates, each party will assume its pro-rata share of such costs, as reasonably determined by Operating Company.

(c) Because substantially all of the moneys paid by KDL in connection with Fiber Project under this Agreement are paid for up front by KDL, the parties agree that, if any then existing Fiber Project terminates prior to the ninety-nine (99) year term, KDL shall have the right to purchase all Fiber controlled or leased by it in connection with such Fiber Project (ie excluding strands controlled by the Applicable Operating Company) at a cost of ten dollars (\$10) from the

Operating Companies. Thereafter, KDL shall be allowed to benefit from any of the Operating Companies' pole attachment rights and rights-of-way, if any, that might extend to KDL in connection with such Fiber.

19. Taxes. Notwithstanding who has legal title to the Fiber, it is understood and agreed as between the parties that for accounting and federal and all applicable state and local tax purposes, KDL shall be treated as the owner of the fiber strands it controls; and the applicable Operating Company shall be treated as the owner of the fiber strands it controls.

20. Successors and Assigns.

(a) *Generally.* This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the parties hereto and their respective successors and permitted assigns. Unless otherwise set forth herein, neither of the parties may assign this Agreement to any other person or entity without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

(b) *Exceptions.* Notwithstanding the foregoing,

(i) the parties may assign this Agreement without the consent of the other party to any affiliate of such party, to the surviving entity into which such party may merge or consolidate, or to any entity to which the party transfers all, or substantially all, of its business and assets; and

(ii) KDL shall also have the right, without the consent of the Operating Companies, to assign or otherwise transfer this Agreement as collateral to any lender to KDL (or lender to any successor or assign of KDL); provided that the assignee or transferee in any such circumstance shall continue to be subject to all of the provisions of this Agreement, except that any lender shall not incur any obligations under this Agreement, nor shall it be restricted from exercising any right of enforcement or foreclosure with respect to any related security interest or lien, so long as the purchaser in foreclosure is subject to the provisions of this Agreement.

21. Notices. All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing, and shall be deemed to have been duly given (a) on the date of personal delivery, (b) on the date of delivery to a nationally recognized overnight delivery service, (c) on the date of deposit in the U. S. mails, postage prepaid, by certified mail, return receipt requested, or (d) on the date of transmission by telephonic facsimile transmission, in each case addressed as follows, or to such other addresses or facsimile numbers as shall be designated from time-to-time by the parties pursuant to this paragraph 21:

If to KDL to:

If to the Operating Companies to:

Kentucky Data Link, Inc.  
1419 W. Lloyd Expressway, Suite 100  
Evansville, Indiana 47710  
Attention: John Greenbank  
President  
Fax: 812/461-3363

With copy to:  
Kentucky Data Link, Inc.  
8829 Bond Street  
Overland Park, KS 66214  
Attention: Legal Department  
Fax: (913) 492-1684

Cinergy Corp.  
221 East Fourth Street  
Cincinnati, OH 45202  
Attention: Paul Kling  
Manager T & D Engineering  
Fax: 513/287-3698

With copy to:  
Cinergy Corp.  
1000 East Main Street  
Plainfield, IN 46168  
Attention: Legal Department  
Fax: (317) 838-1842

22. **Force Majeure.** In the event KDL or the Operating Companies are delayed in or prevented from performing any of its respective obligations under this Agreement due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of insurrection, acts of civil or military authority, including orders and decisions by applicable administrative agencies, fires, floods or earthquakes, fiber cuts or other causes beyond the reasonable control of the party delayed, then such delay or nonperformance shall be excused. If any such delay or nonperformance due to the foregoing causes or events occurs or is anticipated, the party affected shall promptly notify the other party in writing of such event or expected event and the cause and estimated duration of such event. The party affected by such event shall, at no cost to the other party, exercise due diligence to shorten or avoid the delay or nonperformance and shall keep the other party advised as to the continuance of the delay and steps taken to shorten or terminate the delay or nonperformance.
23. **Limitation of Liability.** NEITHER PARTY SHALL HAVE ANY RESPONSIBILITY, LIABILITY OR OBLIGATION TO THE OTHER OR THE OTHER'S AFFILIATES, DIRECTORS, OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS OR PERMITTED ASSIGNS FOR ANY SPECIAL, INCIDENTAL CONSEQUENTIAL OR PUNITIVE DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, COST OF REPLACEMENT SERVICES, LOSS OF CUSTOMERS OR AGENTS, LOSS OF USE, OR PENALTIES IMPOSED BY OTHERS, REGARDLESS OF ANY ACT OF OMISSION OR COMMISSION IN CONNECTION WITH OR UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY DEFECT IN, DELAY IN OR LOSS OF AVAILABILITY, OR FAILURE OF THE FIBER.
24. **Indemnification.**

- (a) Operating Company shall defend, indemnify and hold harmless KDL and each of its officers, directors, employees and agents, from and against, and shall pay the full amount of, any loss, liability, claim, damages, expense, including costs of investigation and defense and reasonable attorney's fees, whether or not involving a third-party claim (collectively, Damages), arising, directly or indirectly, from Operating Company's acts or omissions in connection with this Agreement, except to the extent caused by KDL. Such indemnity shall apply regardless of whether the Damages result from any asserted or actual negligence or willful misconduct of, or breach of warranty by, KDL or any of its officers, directors, employees or agents. Such indemnity shall not apply, however, to the extent that KDL receives insurance proceeds in respect of any such Claim.
- (b) KDL shall defend, indemnify and hold harmless the Operating Company and each of its officers, directors, employees and agents, from and against, and shall pay the full amount of, any loss, liability, claim, damages, expense, including costs of investigation and defense and reasonable attorney's fees, whether or not involving a third-party claim (collectively, Damages), arising, directly or indirectly, from KDL's acts or omissions in connection with this Agreement, except to the extent caused by Operating Company. Such indemnity shall apply regardless of whether the Damages result from any asserted or actual negligence or willful misconduct of, or breach of warranty by, the Operating Company or any of its officers, directors, employees or agents. Such indemnity shall not apply, however, to the extent that Operating Company receives insurance proceeds in respect of any such Claim.
- (c) Procedure for Indemnification. Within 10 days after receipt by Indemnitee of written notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (Proceeding) with respect to which it is eligible for indemnification hereunder, Indemnitee shall notify Indemnitor thereof. Failure to so notify Indemnitor shall not relieve Indemnitor of its indemnification obligation, unless Indemnitor establishes that defense thereof has been prejudiced by such failure. Thereafter, Indemnitor shall be entitled to participate in such Proceeding and, at its election upon notice to Indemnitee to assume the defense of such Proceeding. If Indemnitee has given timely notice to Indemnitor of the commencement of such Proceeding, but Indemnitor has not, within 10 days after receipt of such notice, given notice to such Indemnitee of its election to assume the defense thereof, Indemnitor shall be bound by any determination made in such Proceeding or any compromise or settlement made by Indemnitee. A claim for indemnification for any matter not involving a third-Party claim may be asserted by notice from Indemnitee to Indemnitor.

25. Disclaimer. THERE ARE NO AGREEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

26. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which together shall constitute one and the same document.

27. Expenses. Except as otherwise expressly provided herein or therein, each party shall bear the costs and expenses incurred by it in negotiating, entering into and performing any of its obligations under this Agreement.

~~28. Headings. The headings of this Agreement are inserted for convenience only and shall not be deemed to be a part hereof.~~

29. Severability. If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions hereof or thereof shall not in any way be affected or impaired thereby. If this Agreement shall be held to be unenforceable against either party, the enforceability of such agreement against the other party hereto shall not in any way be affected or impaired thereby.

30. Dispute Resolution. KDL and the Operating Companies plan to use due diligence to work together to implement this Agreement. However, the parties understand that unforeseen issues and conflicts may arise. It is the intention of the parties that this Agreement not terminate prior to the expiration of the Term. Rather, the parties acknowledge their desire to reach a working solution to such issues and conflicts by employing the following dispute resolution process:

- (a) To the extent that any issue of or relating to this Agreement cannot be reasonably resolved by KDL and the Operating Companies, a designated representative of each party shall meet promptly in an effort to resolve the dispute extrajudicially.
- (b) If the dispute is not resolved as a result of such meeting, the dispute shall be immediately referred in writing to the members of senior management of each party. The members of senior management shall meet to attempt to resolve the dispute within twenty (20) days after the meeting described in paragraph 30(a) above.
- (c) No less than ten (10) days prior to the meeting of senior managers, the parties shall exchange written statements of the issues in dispute, the facts and evidence supporting each side, and the name of the member of senior management designated and authorized to resolve the dispute.
- (d) If the good faith attempts to resolve the dispute as stated in paragraphs 30(a), (b) and (c) are unsuccessful, either party may start binding arbitration in Evansville, Indiana. The arbitration will be before a three-arbitrator panel. KDL will select one arbitrator to

represent its interest, at its sole expense; and the Operating Companies will select one arbitrator to represent their collective interests. The final arbitrator, who shall be impartial, will be selected by the two partial arbitrators. In the event the two partial arbitrators shall fail to select an impartial arbitrator, either party may apply to a court of law to have a judge select an impartial arbitrator. The three arbitrators by majority ruling may adopt such procedures as they deem efficient and appropriate for making the determinations submitted to them for adjudication. No statements by, or communications between, the parties during negotiation or mediation, or both, will be admissible for any purpose in arbitration. Each party shall bear its internal expenses and its attorney's fees and expenses, and jointly share the cost of the impartial arbitrator. The decision(s) of a majority of the arbitrators shall be final and binding on the parties.

- (e) ~~Notwithstanding the foregoing, either party may resort to a court by applying for interim relief if such party reasonably determines that such relief is necessary to prevent irreparable injury to it or to a third party.~~

31. **Binding Agreement.** This Agreement, including the attachments, embodies the entire agreement between the parties hereto and supersedes any prior or contemporaneous oral or written agreements between the parties, and once this Agreement has been executed, any amendments hereto must be made in writing and signed by both parties.

32. **Governing Law.** This Agreement shall be construed and enforced under and in accordance with the laws of the State in which the affected Operating Company resides, without regard to conflicts of laws principles.

33. **Customer Information Disclosure.** The Operating Companies and the KDL understand and agree that KDL shall not have access to, share or have the opportunity to obtain the Operating Companies' customer information except to the extent that is otherwise permitted to any telecommunications company under applicable state and federal law, rules and regulations, and tariffs, including law affecting the privacy and disclosure of customer information, as they exist today and as changed from time to time.

34. **Confidentiality.** In light of the competitive circumstances, including regulatory changes, in both the energy and telecommunications markets, the Parties understand and agree that they will be exchanging information and entering into agreements for the construction and lease of facilities, the disclosure of which is likely to harm their competitive positions in their respective markets. Therefore, they agree that the business information, materials, and business plans that they provide to or discuss with each other, along with the terms and conditions thereof are deemed to be confidential unless the disclosing Party indicates otherwise.

Each Party shall, during the term of this Agreement and thereafter, take all steps reasonably necessary to hold in trust and confidence and to protect from disclosure to the public or third parties information of the other that it knows or has reason to know is the trade secret or confidential information of the other.

Confidential information does not include:


- (a) information that is now or hereafter becomes, through no act or omission of the Party receiving the information, generally known or available in the relevant industry or industries, or is now in or later enters the public domain through no act or omission of the Party receiving the information;
- (b) information that was acquired by the receiving Party prior to entering into this Agreement and without restrictions of the information's use and disclosure;
- (c) information that has been or is hereafter received by the receiving Party from a third party who has rightfully and lawfully disclosed the information to the receiving Party;
- (d) information that the receiving Party discloses pursuant to written permission of the Party whose confidential information is to be disclosed under such permission.


~~If a Party receives a request for disclosure of the confidential information of the other Party pursuant to lawful order, such as discovery requests or court or administrative agency order, that Party will give immediate notice to the other of such request and the Parties will cooperate to obtain a protective order or other lawful protection against disclosure of such confidential information in the public record or otherwise.~~

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and to become effective as of the date first written above.

**Kentucky Data Link, Inc.**

**The Cincinnati Gas & Electric Company**


By:   
 Name: Albert E. Cinelli  
 Title: Chairman

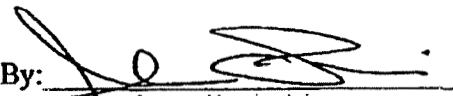
By:   
 Name: JOHN C. PROCARIO  
 Title: VP & COO

ENERGY DELIVERY BU

**PSI Energy, Inc.**

**The Union Light Heat & Power Company**

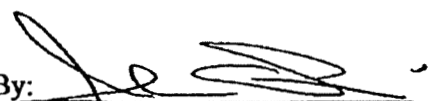
By:   
 Name: JOHN C. PROCARIO  
 Title: VP & COO

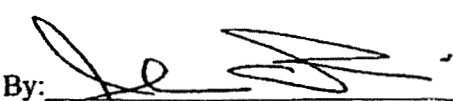
By:   
 Name: JOHN C. PROCARIO  
 Title: VP & COO

ENERGY DELIVERY BU

ENERGY DELIVERY BU  
**The Lawrenceburg Gas Company**

**The West Harrison Gas and Electric Company**

By:   
 Name: JOHN C. PROCARIO  
 Title: VP & COO

By:   
 Name: JOHN C. PROCARIO  
 Title: VP & COO

ENERGY DELIVERY BU



### GLOSSARY OF TERMS

"Agreement" means this Agreement and all extensions and modifications hereof, together with all addenda, attachments, appendices, exhibits and schedules.

"Fiber" means fiber cable, up to 144 single-mode fiber strands (or copper strands, as applicable) and attachment hardware to be installed on and between the Applicable Operating Company's Utility Structures pursuant to this Agreement.

"Fiber Optic Capacity" means on-net transmission capacity (1 T1, 1 DS3 or 1 OC3) between any two (2) KDL points-of-presence ("KDL POP") located along a specific Route described in a Project Description or located at an end of a Route described in a Project Description

"Fiber Projects" means those projects described in the Project Descriptions attached as Exhibit A.

"Power Zone" is that area of a standard utility pole above the Communications Zone and Neutral Zone in the proximity of electrical conductors.

"Project Descriptions" are the forms attached as Exhibit A that describe the Fiber Projects covered by this Agreement.

"Route" means a continuous path of Utility Structures, on and between which KDL installs Fiber pursuant to this Agreement.

**EXHIBIT A- PROJECT DESCRIPTIONS**  
**PROJECT DESCRIPTION #**

**1. Project Defined.**

**Section 1**

**Fiber:** KDL, at its cost, to install one (1) fiber optic cable or FOG Wire and related fiber strands, splices and terminations.

**Route:** \_\_\_\_\_

It is understood that the Fiber may, at KDL's discretion, be placed in the Power Zone along such Route. It is also understood that KDL will be allowed to place the Fiber in a position that will require the least amount of make ready work. (Approximately \_\_\_\_\_ miles).

Both parties will use best efforts to have Fiber described in this Section 1 installed on or before \_\_\_\_\_, 2\_\_\_\_\_.

**2. Applicable Operating Company Strands/KDL Strands Defined.**

On the terms of the Agreement, the Applicable Operating Company will retain \_\_\_\_\_ of the single-mode fiber strands installed along the Route described in Section 1 above. On the terms of the Agreement, the Applicable Operating Company may elect two (2) fiber strands or that number of fiber strands, which equals five percent (5%) of the total number of strands KDL installs along that Route, rounded to the nearest even number (See Footnote 1 from Section 10 of the Agreement and Footnote 2 from Section 13 of the Agreement). Alternatively, the Applicable Operating Company may elect zero (0) fiber strands, in which case KDL would provide transmission capacity (1 T1, 1 DS3 or 1 OC3) between any two (2) of the following KDL points-of-presence ("KDL POP"): a KDL POP located along the

Route described in Section 1 above or a KDL POP located at an end of the Route described in Section 1 above.

KDL will lease the fiber strands installed along this Route that are not retained by the Operating Company,.

3. Special Terms.

*Ground Space (Optional at KDL's Discretion).* The Applicable Operating Company hereby leases to KDL for fair market value of \$\_\_\_\_\_, receipt of which is hereby acknowledged, and KDL hereby leases from such Company for fair market value of \$\_\_\_\_\_, a \_\_\_\_\_ square foot portion of ground space on property already owned by such Company at an Operating Company's substation along with ingress and egress thereto, sufficient for KDL to construct up to a \_\_\_\_\_ square foot building and to locate certain equipment associated with the operation of its fiber optic network. The parties agree to use their best efforts to identify the exact ground space and to prepare, sign and file in the appropriate court office a Memorandum of said Lease within ninety (90) days of the date KDL first intends to use such ground space.

4. Basic Agreement. This Project Description is hereby incorporated in its entirety into the Agreement between The Cincinnati Gas & Electric Company, PSI Energy, Inc., The Union Light Heat & Power Company, The Lawrenceburg Gas Company, The West Harrison Gas And Electric Company, and Kentucky Data Link, Inc., and is effective as of this \_\_\_\_ day of \_\_\_\_ 2\_\_\_\_\_.

Kentucky Data Link, Inc.

The Applicable Operating Company

By: \_\_\_\_\_

By: \_\_\_\_\_

## UTILITY MONEY POOL AGREEMENT

This UTILITY MONEY POOL AGREEMENT (this "Agreement") is made and entered into as of April 3, 2006 ("Effective Date") by and among Duke Energy Corporation, a Delaware corporation ("Duke Energy"), Cinergy Corp., a Delaware corporation ("Cinergy"), Duke Power Company LLC, a North Carolina limited liability company ("Duke Power"), PSI Energy, Inc., an Indiana corporation ("PSI"), The Cincinnati Gas & Electric Company, an Ohio corporation ("CG&E"), The Union Light, Heat and Power Company, a Kentucky corporation ("ULH&P"), Miami Power Corporation, an Indiana corporation ("Miami"), KO Transmission Company, a Kentucky corporation ("KO"), and Duke Energy Business Services, LLC, a Delaware limited liability company and Duke Energy Shared Services, Inc., a Delaware corporation (and successor to Cinergy Services, Inc.) (collectively, "Duke Services"), (each a "party" and collectively, the "parties").

### Recitals

Each of Duke Power, PSI, CG&E, ULH&P and Miami is a public utility company and a subsidiary company of Duke Energy. Duke Services is a subsidiary service company of Duke Energy. KO is a nonutility company and a subsidiary company of CG&E.

The parties from time to time have need to borrow funds on a short-term basis. Some of the parties from time to time have funds available to loan on a short-term basis. The parties desire to establish a cash management program (the "Utility Money Pool") to coordinate and provide for certain of their short-term cash and working capital requirements.

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the parties hereto agree as follows:

### ARTICLE I CONTRIBUTIONS AND BORROWINGS

Section 1.1 Contributions to Utility Money Pool. Each party will determine each day, on the basis of cash flow projections and other relevant factors, in such party's sole discretion, the amount of funds it has available for contribution to the Utility Money Pool, and will contribute such funds to the Utility Money Pool. The determination of whether a party at any time has surplus funds to lend to the Utility Money Pool or shall lend funds to the Utility Money Pool will be made by such party's chief financial officer or treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such party's sole discretion. Each party may withdraw any of its funds at any time upon notice to Duke Services as administrative agent of the Utility Money Pool.

**Section 1.2 Rights to Borrow.** Subject to the provisions of Section 1.4(b) of this Agreement, all short-term borrowing needs of the parties, with the exception of Duke Energy and Cinergy, will be met by funds in the Utility Money Pool to the extent such funds are available. Each party (other than Duke Energy and Cinergy) shall have the right to make short-term borrowings from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein . Each party (other than Duke Energy and Cinergy) may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the parties; provided, however, that the aggregate amount of all loans requested by any party hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of regulatory authorities, resolutions of such party's shareholders and Board of Directors, such party's governing corporate documents, and agreements binding upon such party. No loans through the Utility Money Pool will be made to, and no borrowings through the Utility Money Pool will be made by, Duke Energy and Cinergy.

**Section 1.3 Source of Funds.** (a) Funds will be available through the Utility Money Pool from the following sources for use by the parties from time to time: (i) surplus funds in the treasuries of parties other than Duke Energy and Cinergy, (ii) surplus funds in the treasuries of Duke Energy and Cinergy, and (iii) proceeds from borrowings by parties, including the sale of commercial paper by Duke Energy, Cinergy, Duke Power, CG&E, PSI and ULH&P ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such other order as Duke Services, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to companies borrowing from the Utility Money Pool, consistent with the individual borrowing needs and financial standing of the parties providing funds to the Utility Money Pool.

(b) Borrowing parties will borrow pro rata from each lending party in the proportion that the total amount loaned by such lending party bears to the total amount then loaned through the Utility Money Pool. On any day when more than one fund source (e.g., surplus treasury funds of Duke Energy and Cinergy and other Utility Money Pool participants ("Internal Funds") and External Funds), with different rates of interest, is used to fund loans through the Utility Money Pool, each borrowing party will borrow pro rata from each fund source in the same proportion that the amount of funds provided by that fund source bears to the total amount of short-term funds available to the Utility Money Pool.

**Section 1.4 Authorization.** (a) Each loan shall be authorized by the lending party's chief financial officer or treasurer, or by a designee thereof.

(b) All borrowings from the Utility Money Pool shall be authorized by the borrowing party's chief financial officer or treasurer, or by a designee thereof. No party shall be required to effect a borrowing through the Utility Money Pool if such party determines that it can (and is authorized to) effect such borrowing at lower cost from

other sources, including but not limited to directly from banks or through the sale of its own commercial paper.

**Section 1.5 Interest.** Each party receiving a loan shall accrue interest monthly on the unpaid principal amount of such loan to the Utility Money Pool from the date of such loan until such principal amount shall be paid in full.

(a) If only Internal Funds comprise the funds available in the Utility Money Pool, the interest rate applicable to loans of such Internal Funds shall be the CD yield equivalent of the 30-day Federal Reserve "AA" Industrial Commercial Paper Composite Rate (or, if no such Composite Rate is established for that day, then the applicable rate shall be the Composite Rate for the next preceding day for which such Composite Rate was established).

(b) If only External Funds comprise the funds available in the Utility Money Pool, the interest rate applicable to loans of such External Funds shall be equal to the lending party's cost for such External Funds (or, if more than one party had made available External Funds on such day, the applicable interest rate shall be a composite rate, equal to the weighted average of the cost incurred by the respective parties for such External Funds).

(c) In cases where both Internal Funds and External Funds are concurrently borrowed through the Utility Money Pool, the rate applicable to all loans comprised of such "blended" funds shall be a composite rate, equal to the weighted average of the (i) cost of all Internal Funds contributed by parties (as determined pursuant to Section 1.5(a) above) and (ii) the cost of all such External Funds (as determined pursuant to Section 1.5(b) above); provided, that in circumstances where Internal Funds and External Funds are available for loans through the Utility Money Pool, loans may be made exclusively from Internal Funds or External Funds, rather than from a "blend" of such funds, to the extent it is expected that such loans would result in a lower cost of borrowing.

**Section 1.6 Certain Costs.** The cost of compensating balances and fees paid to banks to maintain credit lines by parties lending External Funds to the Utility Money Pool shall initially be paid by the party maintaining such line. A portion of such costs shall be retroactively allocated every month to the parties borrowing such External Funds through the Utility Money Pool in proportion to their respective daily outstanding borrowings of such External Funds.

**Section 1.7 Repayment.** Each party receiving a loan hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event within 365 days of the date on which such loan was made. All loans made through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

**Section 1.8 Form of Loans to Parties.** Loans to the parties through the Utility Money Pool will be made pursuant to open-account advances, repayable upon demand

and in any event not later than one year after the date of the advance; provided, that each lending party shall at all times be entitled to receive upon demand one or more promissory notes evidencing any and all loans by such lender. Any such note shall: (a) be dated as of the date of the initial borrowing, (b) mature on demand or on a date agreed by the parties to the transaction, but in any event not later than one year after the date of the applicable borrowing, and (c) be repayable in whole at any time or in part from time to time, without premium or penalty.

## ARTICLE II OPERATION OF UTILITY MONEY POOL

Section 2.1 Operation. Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by Duke Services under the authority of the appropriate officers of the parties. Duke Services shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the parties. Duke Services will administer the Utility Money Pool on an at-cost basis. Separate records shall be kept by Duke Services for the money pool established by this agreement and any other money pool administered by Duke Services.

Section 2.2 Investment of Surplus Funds in the Utility Money Pool. Funds not required to meet Utility Money Pool loans (with the exception of funds required to satisfy the Utility Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including: (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than A by a nationally recognized rating agency; (iv) commercial paper rated not less than A-1 or P-1 or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit; (vii) Eurodollar certificates of deposit or time deposits; and (viii) such other investments as the parties mutually determine .

Section 2.3 Allocation of Interest Income and Investment Earnings. The interest income and other investment income earned by the Utility Money Pool on loans and investment of surplus funds will be allocated among the parties in accordance with the proportion each party's contribution of funds in the Utility Money Pool bears to the total amount of funds in the Utility Money Pool and the cost of any External Funds provided to the Utility Money Pool by such party. Interest and other investment earnings will be computed on a daily basis and settled once per month.

Section 2.4 Event of Default. If any party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be

instituted by or against any party seeking to adjudicate it a bankrupt or insolvent, then the other parties may declare the unpaid principal amount of any loans to such party, and all interest thereon, to be forthwith due and payable and all such amounts shall forthwith become due and payable.

**ARTICLE III**  
**MISCELLANEOUS**

Section 3.1 Amendments. No amendment to this Agreement shall be effective unless set forth in writing and executed by each of the parties. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any affected state public utility commission for its review or otherwise, the parties shall comply in all respects with any such requirements.

Section 3.2 Legal Responsibility. Nothing herein contained shall render any party liable for the obligations of any other party hereunder and the rights, obligations and liabilities of the parties are several in accordance with their respective obligations, and not joint.

Section 3.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

Section 3.4 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect until terminated by the parties. This Agreement may be terminated and thereafter will be of no further force and effect upon the mutual consent in writing of all of the parties.

Section 3.5 Entire Agreement. This Agreement contains the entire agreement between and among the parties with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto (including without limitation that certain Utility Money Pool Agreement between and among Cinergy, CG&E, PSI, ULH&P, Miami, KO and Tri-State Improvement Company and certain other subsidiaries of Cinergy dated as of September 14, 1995). Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 3.6 Severability; Regulatory Requirements. If any provision of this Agreement shall be determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby. Without limiting the generality of the foregoing, the transactions contemplated under this Agreement shall in all cases, and notwithstanding anything herein to the contrary, be subject to any limitations or restrictions contained in any applicable orders or authorizations, statutory provisions, rules or regulations, or agreements, whether now in existence or hereinafter promulgated, of those regulatory or governmental agencies, including without limitation any affected



state public utility commission or the Federal Energy Regulatory Commission, having jurisdiction over any of the parties. To the extent, if any, that at any time any provision of this Agreement conflicts with any such limitation or restriction of any such regulatory agencies, such limitation shall control.

Section 3.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

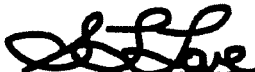
Section 3.8 Captions, etc. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, "hereof," "hereunder," "herein," "hereto," and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

Section 3.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

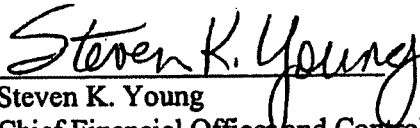
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IN WITNESS WHEREOF, the undersigned companies have duly caused this Utility Money Pool Agreement to be executed on their behalf on the Effective Date above by the undersigned thereunto duly authorized.

DUKE ENERGY CORPORATION

By:   
Sherwood L. Love  
Assistant Treasurer

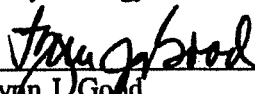
CINERGY CORP.

By:   
Steven K. Young  
Chief Financial Officer and Controller


DUKE ENERGY BUSINESS SERVICES, LLC

By:   
Sherwood L. Love  
Assistant Treasurer

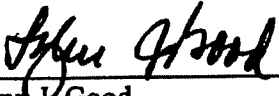
DUKE ENERGY SHARED SERVICES, INC.  
*(formerly Cinergy Services, Inc.)*

By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer


DUKE POWER COMPANY, LLC

By:   
Lynn J. Good  
Vice President and Treasurer

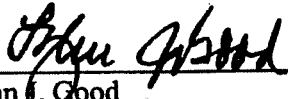
PSI ENERGY, INC.

By:   
Lynn J. Good  
Vice President and Treasurer

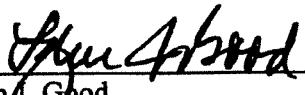
THE CINCINNATI GAS & ELECTRIC COMPANY

By:   
Lynn J. Good  
Vice President and Treasurer

THE UNION LIGHT, HEAT AND POWER COMPANY

By:   
Lynn J. Good  
Vice President and Treasurer

MIAMI POWER CORPORATION

By:   
Lynn J. Good  
Vice President and Treasurer

KO TRANSMISSION COMPANY

By:   
Lynn J. Good  
Vice President and Treasurer

**DUKE ENERGY CORPORATION AND CONSENTING MEMBERS OF ITS  
CONSOLIDATED GROUP**

**AGREEMENT FOR FILING CONSOLIDATED  
INCOME TAX RETURNS AND FOR  
ALLOCATION OF CONSOLIDATED INCOME  
TAX LIABILITIES AND BENEFITS**

Duke Energy Corporation, a Delaware corporation ("Duke Energy"), and its Members hereby agree as of April 1, 2006 to join annually in the filing of a consolidated Federal income tax return and to allocate the consolidated Federal income tax liabilities and benefits among the members of the consolidated group in accordance with the provisions of this Agreement.

1. **DEFINITIONS**

**"Associate company"** is a consenting member of Duke Energy's consolidated group which agrees to be subject to this agreement.

**"Consolidated tax"** is the aggregate current Federal income tax liability for a tax year, being the tax shown on the consolidated Federal income tax return and any adjustments thereto, as described in section 5 hereof.

**"Corporate taxable income"** is the positive taxable income of an Associate company for a tax year, computed as though such company had filed a separate return on the same basis as used in the consolidated return, except that dividend income from associate companies shall be disregarded, and other intercompany transactions, eliminated in consolidation, shall be given appropriate effect.

**"Corporate taxable loss"** is the taxable loss of an Associate company for a tax year, computed as though such company had filed a separate return on the same basis as used in the consolidated return, except that dividend income from associate companies shall be disregarded, and other intercompany transactions, eliminated in consolidation, shall be given appropriate effect.

**"Corporate tax credit"** is a negative separate regular tax of an Associate company for a tax year, equal to the amount by which the consolidated regular tax is reduced by including the corporate taxable loss of such associate company in the consolidated tax return.

**"Environmental Tax"** The Superfund Amendments and Reauthorization Act of 1986 imposed a new Environmental Tax. The tax was imposed only for the years beginning after December 31, 1986 and before January 1, 1996. The environmental tax was equal to 0.12 percent (\$12 of tax per \$10,000 of alternative minimum taxable income ("AMTI")) of the excess of

AMTI over \$2,000,000 and was imposed whether or not the taxpayer was subject to the alternative minimum tax. The Environmental Tax is included in this Agreement for the purposes of any refund on liability with respect to those years when it was in effect.

"Separate return tax" is the tax on the corporate taxable income or loss of an associate company as though such company were not a member of a consolidated group.

"Member" is an Associate company, including a Regulated Business as indicated in section 2 herein, which agrees to be subject to this agreement.

These definitions shall apply, as appropriate, in the context of the regular income tax and the Alternative Minimum Tax ("AMT") unless otherwise indicated in the Agreement.

## 2. REGULATED BUSINESSES OPERATING IN LLC OR LP FORM

For purposes of allocating the consolidated federal and state tax liabilities and tax benefits under this Agreement, each business operating as an LLC or LP that is subject to the rules and regulations of the Federal Energy Regulatory Commission or state utilities commissions (hereinafter, a "Regulated Business") shall be considered a member of the consolidated group, and shall be responsible for its allocable share of taxable income (or shall be entitled to a credit for its allocable share of tax loss), as set forth in Sections 3 through 6 hereof. For purposes of this Agreement, the determination of a Regulated Business's allocable share shall be made (i) as if such Regulated Business was a regarded entity for U.S. federal income tax purposes and (ii) utilizing the separate "corporate taxable income" method.

## 3. TAX ALLOCATION PROCEDURES

The consolidated tax shall be allocated among the members of the group utilizing the separate "corporate taxable income" method, in the following manner:

- a) Each Member, which has a corporate taxable loss, will be entitled to a corporate tax credit equal to the amount by which the consolidated regular income tax is reduced by including the corporate tax loss of such Member in the consolidated tax return. The Members having corporate taxable income will be allocated an amount of regular income tax liability equal to the sum of the consolidated regular tax liability and the corporate tax credits allocated to the Members having corporate tax losses based on the ratio that each such Member's corporate taxable income bears to the total corporate taxable income of all Members having corporate taxable income.

If the aggregate of the Members' corporate tax losses are not entirely utilized on the current year's consolidated return, the consolidated carryback or carryforward of such losses to the applicable taxable year(s) will be allocated to each Member having a corporate taxable loss in the ratio that such Member's separate corporate tax loss bears to the total corporate tax losses of all Members having corporate taxable losses.

- b) The consolidated Environmental Tax will be allocated among the Members of the group by applying the procedures set forth in subsection a) above, except that the basis for allocation will be Alternative Minimum Taxable Income ("AMTI") rather than regular corporate taxable income.
- c) The consolidated AMT will be allocated among the Members in accordance with the procedures and principles set forth in Proposed Treasury Regulation section 1.1502-55 in the form such Regulation existed on the date on which this Agreement was executed.
- d) Tax benefits such as general business credits, foreign tax benefits, or other tax credits shall be apportioned directly to those Members whose investments or contributions generated the credit or benefit.

If the credit or benefit cannot be entirely utilized to offset current consolidated tax, the consolidated credit carryback or carryforward shall be apportioned to those Members whose investments or contributions generated the credit or benefit in proportion to the relative amounts of credits or benefits generated by each Member.

- e) If the amount of consolidated tax allocated to any Member under this Agreement, as determined above, exceeds the separate return tax of such Member, such excess shall be reallocated among those Members whose allocated tax liability is less than the amount of their respective separate return tax liabilities. The reallocation shall be proportionate to the respective reductions in separate return tax liability of such Members. Any remaining unallocated tax liability shall be assigned to Duke Energy. The term "tax" and "tax liability" used in the subsection shall include regular tax, Environmental Tax and AMT.

#### **4. TAX PAYMENTS AND COLLECTIONS FOR ALLOCATIONS**

Duke Energy shall make any calculations on behalf of the Members necessary to comply with the estimated tax provisions of the Internal Revenue Code of 1986 as amended (the "Code"). Based on such calculations, Duke Energy shall charge or refund to the Members appropriate amounts at intervals consistent with the dates indicated by

Code section 6655. Duke Energy shall be responsible for paying to the Internal Revenue Service the consolidated current Federal income tax liability.

After filing the consolidated Federal income tax return and allocating the consolidated tax liability among the Members, Duke Energy shall charge or credit, as appropriate, the Members to reflect the difference between prior payments or credits and their current tax as allocated under this Agreement.

5. ALLOCATION OF STATE TAX LIABILITIES OR BENEFITS

State and local income tax liabilities will be allocated, where appropriate, among Members in accordance with principles similar to those employed in the Agreement for the allocation of consolidated Federal income tax liability.

6. TAX RETURN ADJUSTMENTS

In the event the consolidated tax return is subsequently adjusted by the Internal Revenue Service, state tax authorities, amended returns, claims for refund, or otherwise, such adjustments shall be reflected in the same manner as though they had formed part of the original consolidated return. Interest paid or received, and penalties imposed on account of any adjustment will be allocated to the responsible Member.

7. NEW MEMBERS

If, at any time, any other company becomes a Member of the Affiliated Group, the parties hereto agree that such new Member may become a party to this Agreement by executing a duplicate copy of this Agreement. Unless otherwise specified, such new Member shall have similar rights and obligations of all other Members under this Agreement.

8. MEMBERS LEAVING THE AFFILIATED GROUP

In the event that any Member of the Affiliated Group at any time leaves the Group and, under any applicable statutory provision or regulation, that Member is assigned and is deemed to take with it all or a portion of any of the tax attributes (including, but not limited to, net operating losses, credit carryforwards, and Minimum Tax Credit carryforwards) of the Affiliated Group, then, to the extent the amount of the attributes so assigned differs from the amount of such attributes previously allocated to such Member under this Agreement, the leaving Member shall appropriately settle with the Group. Such settlement shall consist of payment on a dollar-for-dollar basis for all differences in credits and, in the case of net operating loss differences, in an amount computed by reference to the highest marginal corporate tax rate. The settlement amounts shall be allocated among the

remaining Members of the Group in proportion to the relative level of attributes possessed by each Member and the attributes of each Member shall be adjusted accordingly.

9. **SUCCESSORS, ASSIGNS**

The provisions and terms of the Agreement shall be binding on and inure to the benefit of any successor or assignee by reason of merger, acquisition of assets, or otherwise, of any of the Members hereto.

10. **AMENDMENTS AND TERMINATION**

This Agreement may be amended at any time by the written agreement of the parties hereto at the date of such amendment and may be terminated at any time by the written consent of all such parties.

11. **GOVERNING LAW**

This Agreement is made under the law of the State of Delaware, which law shall be controlling in all matters relating to the interpretation, construction, or enforcement hereof.

12. **EFFECTIVE DATE**


This Agreement is effective for the allocation of the current Federal income tax liabilities of the Members for the consolidated tax year [2006] and all subsequent years until this Agreement is revised in writing.

The above procedure for apportioning the consolidated annual net current federal and state tax liabilities and tax benefits of Duke Energy and consenting members of its consolidated group have been agreed to by each of the below listed members of the consolidated group as evidenced by the signature of an officer of each company.



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


**DUKE ENERGY CORPORATION**

By:   
Sherwood L. Love  
Assistant Treasurer

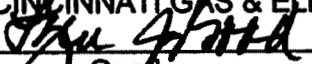
**CINERGY CORP.**

By: \_\_\_\_\_  
Steven K. Young  
Chief Financial Officer and Controller


**DUKE ENERGY SHARED SERVICES, INC.**  
(formerly Cinergy Services, Inc.)

By:   
Lynn J. Good  
Vice President and Treasurer


**THE CINCINNATI GAS & ELECTRIC CO.**

By:   
Lynn J. Good  
Vice President and Treasurer

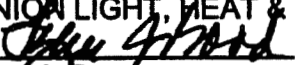
**PSI ENERGY, INC.**

By:   
Lynn J. Good  
Vice President and Treasurer

**SOUTH CONSTRUCTION COMPANY, INC.**

By:   
Lynn J. Good  
Vice President and Treasurer

**THE UNION LIGHT, HEAT & POWER COMPANY**

By:   
Lynn J. Good  
Vice President and Treasurer

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

**DUKE ENERGY CORPORATION**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**CINERGY CORP.**

By: Steven K. Young  
Steven K. Young  
Chief Financial Officer and Controller

**DUKE ENERGY SHARED SERVICES, INC.**  
*(formerly Cinergy Services, Inc.)*

By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

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By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

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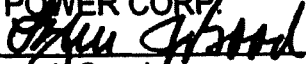
By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

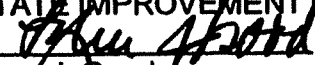
**SOUTH CONSTRUCTION COMPANY, INC.**


By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

**THE UNION LIGHT, HEAT & POWER COMPANY**


By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer


MIAMI POWER CORP.  
By:   
Lynn J. Good  
Vice President and Treasurer

TRI-STATE IMPROVEMENT CO.  
By:   
Lynn J. Good  
Vice President and Treasurer

KO TRANSMISSION CO.  
By:   
Lynn J. Good  
Vice President and Treasurer

CINERGY INVESTMENTS, INC.  
By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY TELECOMMUNICATIONS HOLDING COMPANY, INC.  
(formerly Cinergy Communications, Inc.)  
By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

CINERGY TECHNOLOGY, INC.  
By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

CINERGY UK, INC.  
By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**MIAMI POWER CORP.**

By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

**TRI-STATE IMPROVEMENT CO.**

By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

**KO TRANSMISSION CO.**

By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

**CINERGY INVESTMENTS, INC.**

By:   
Len C. Mitchell  
Vice President and Chief Financial Officer

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*(formerly Cinergy Communications, Inc.)*

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Lynn J. Good  
Executive Vice President and Chief Financial Officer

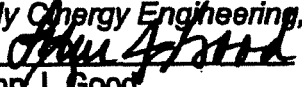
**CINERGY TECHNOLOGY, INC.**

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**CINERGY UK, INC.**

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

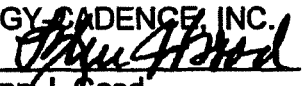
DUKE ENERGY ENGINEERING, INC.  
(formerly *Cinergy Engineering, Inc.*)

By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

DUKE ENERGY GENERATION SERVICES HOLDING COMPANY, INC.  
(formerly *Cinergy Solutions Holding Company, Inc.*)

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY CADENCE, INC.

By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

CINERGY CAPITAL & TRADING, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President, Chief Financial Officer and Treasurer

CINERGY GLOBAL POWER, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY GLOBAL RESOURCES, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY SUPPLY NETWORK, INC.

By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**DUKE ENERGY ENGINEERING, INC.**  
*(formerly Cinergy Engineering, Inc.)*

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**DUKE ENERGY GENERATION SERVICES HOLDING COMPANY, INC.**  
*(formerly Cinergy Solutions Holding Company, Inc.)*

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY-CADENCE, INC.**

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**CINERGY CAPITAL & TRADING, INC.**

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President, Chief Financial Officer and Treasurer

**CINERGY GLOBAL POWER, INC.**

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY GLOBAL RESOURCES, INC.**

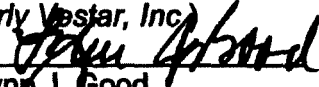
By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY SUPPLY NETWORK, INC.**

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**CINERGY SOLUTIONS – DEMAND, INC.**


*(formerly Vestar, Inc)*

By:   
Lynn J. Good  
Treasurer

**CINERGY CENTRUS COMMUNICATIONS, INC.**

By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**CINERGY-CENTRUS, INC.**

By:   
Lynn J. Good  
Executive Vice President and Chief Financial Officer

**CINERGY GLOBAL HOLDINGS, INC.**

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY GLOBAL ELY, INC.**

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY SOLUTIONS OF TUSCOLA, INC.**

By:   
Lynn J. Good  
Treasurer

**CINERGY MARKETING & TRADING, LP**  
*(formerly Cinergy Marketing & Trading, LLC)*

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY ENERGY SOLUTIONS, INC.**

By:   
Lynn J. Good  
Treasurer

CINERGY SOLUTIONS – DEMAND, INC.  
(formerly Vestar, Inc.)

By: \_\_\_\_\_  
Lynn J. Good  
Treasurer

CINERGY-CENTRUS COMMUNICATIONS, INC.

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

CINERGY-CENTRUS, INC.

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President and Chief Financial Officer

CINERGY GLOBAL HOLDINGS, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY GLOBAL ELY, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY SOLUTIONS OF TUSCOLA, INC.

By: \_\_\_\_\_  
Lynn J. Good  
Treasurer

CINERGY MARKETING & TRADING, LP  
(formerly Cinergy Marketing & Trading, LLC)

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY ENERGY SOLUTIONS, INC.

By: \_\_\_\_\_  
Lynn J. Good  
Treasurer



DUKE ENERGY ONE, INC.

(formerly Cinergy One, Inc.)

By: 

Lynn J. Good  
Vice President and Treasurer

CINERGY POWER INVESTMENTS, INC.

By: \_\_\_\_\_

Lon C. Mitchell  
Vice President and Chief Financial Officer

DUKE ENERGY GENERATION SERVICES, INC.

(formerly Cinergy Solutions, Inc.)

By: 

Lynn J. Good  
Treasurer

CINERGY TECHNOLOGIES, INC.

(formerly Cinergy Ventures Holding Company, Inc.)

By: 

Lynn J. Good  
Executive Vice President and Chief Financial Officer

CINERGY TWO, INC.

By: 

Lynn J. Good  
Vice President and Treasurer

CINERGY WHOLESALE ENERGY, INC.

By: \_\_\_\_\_

Lon C. Mitchell  
Vice President and Chief Financial Officer

CINTEC LLC

(formerly CinTech LLC)

By: 

Lynn J. Good  
Executive Vice President and Chief Financial Officer

DUKE ENERGY ONE, INC.  
(formerly Cinergy One, Inc.)

By: \_\_\_\_\_  
Lynn J. Good  
Vice President and Treasurer

CINERGY POWER INVESTMENTS, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President and Chief Financial Officer

DUKE ENERGY GENERATION SERVICES, INC.  
(formerly Cinergy Solutions, Inc.)

By: \_\_\_\_\_  
Lynn J. Good  
Treasurer

CINERGY TECHNOLOGIES, INC.  
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CINERGY RETAIL POWER LIMITED, INC.

By:   
Lon C. Mitchell  
Vice President and Chief Financial Officer

CINERGY RETAIL POWER GENERAL, INC.

By:   
Lon C. Mitchell  
Vice President and Chief Financial Officer


CINERGY SOLUTIONS OF PHILADELPHIA, LLC

By: \_\_\_\_\_  
Lynn J. Good  
Vice President - Financial and Treasurer Comptroller

CINFUEL RESOURCES, INC.

By: \_\_\_\_\_  
F. Wayne Wiesen  
Vice President, General Counsel and Secretary

CINERGY CLIMATE CHANGE INVESTMENTS, LLC

By:   
Lon C. Mitchell  
Vice President and Chief Financial Officer

DUKE ENERGY RETAIL SALES, LLC  
(formerly *Cinergy Retail Sales, LLC*)

By: \_\_\_\_\_  
Lynn J. Good  
Executive Vice President

CINERGY SOLUTIONS OF SAN DIEGO, INC.  
(formerly *Cinergy Solutions of San Diego, LLC*)

By:   
Lon C. Mitchell  
Vice President and Chief Financial Officer

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Lon C. Mitchell  
Vice President and Chief Financial Officer

**CINERGY RETAIL POWER GENERAL, INC.**

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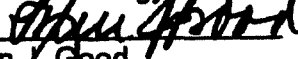
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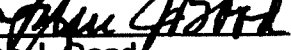
CINERGY MEXICO HOLDINGS, L.P.  
(on behalf of Cinergy General Holdings, LLC, its general partner)

By:   
Lynn J. Good  
Executive Vice President

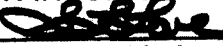
CINERGY SOLUTIONS UTILITY, INC.

By: \_\_\_\_\_  
Lon C. Mitchell  
Vice President, Chief Financial Officer, Comptroller, and  
Assistant Treasurer

CINERGY RISK SOLUTIONS LTD

By:   
Lynn J. Good  
Executive Vice President

BISON INSURANCE COMPANY, LTD.

By:   
Sherwood L. Love  
Assistant Treasurer

CALDWELL POWER COMPANY

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

CATAWBA MANUFACTURING AND ELECTRIC POWER COMPANY

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

CHAMBERS COUNTY LAND COMPANY

By:   
Sherwood L. Love  
Assistant Treasurer

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William R. McCollum, Jr.  
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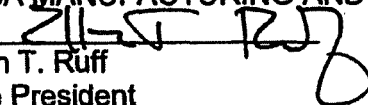
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By: Curtis H. Davis  
Curtis H. Davis  
Group Vice President

DE FOSSIL-HYDRO ENGINEERING, INC.

By: \_\_\_\_\_  
Rance W. Hall  
Treasurer

DE NUCLEAR ENGINEERING, INC.

By: \_\_\_\_\_  
Rance W. Hall  
Treasurer

DENA ASSET PARTNERS, LP

By: Curtis H. Davis  
Curtis H. Davis  
Group Vice President

DENA TRADING PARTNERS, LP

By: Curtis H. Davis  
Curtis H. Davis  
Group Vice President

DETM MANAGEMENT, INC.

By: Curtis H. Davis  
Curtis H. Davis  
Senior Vice President

DIXILYN-FIELD DRILLING COMPANY

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

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President

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Sherwood L. Love  
Assistant Treasurer

**DUKE ENERGY ALLOWANCE MANAGEMENT, LLC**

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Vice President


**DUKE ENERGY CAPITAL OF TEXAS, INC.**

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**DUKE ENERGY ENTERPRISES CORPORATION**

By:   
Sherwood L. Love  
Assistant Treasurer

**DUKE ENERGY FIELD SERVICES CANADA HOLDINGS, INC.**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President

**DUKE ENERGY FOSSIL-HYDRO CALIFORNIA, INC.**

By: \_\_\_\_\_  
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**DUKE ENERGY GAS TRANSMISSION RESOURCES, INC.**

By: \_\_\_\_\_  
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Vice President, Controller and Treasurer

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DUKE ENERGY GLOBAL MARKETS, INC.

By: Curtis H. Davis  
Curtis H. Davis  
Group Vice President – Energy Generation

DUKE ENERGY GROUP HOLDINGS, LLC

By: \_\_\_\_\_  
Dwight E. Jeter  
Assistant Treasurer

DUKE ENERGY GS FUNDING COMPANY

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

DUKE ENERGY INTERNATIONAL, INC.

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

DUKE ENERGY LAVACA, INC.

By: Curtis H. Davis  
Curtis H. Davis  
Senior Vice President

DUKE ENERGY LNG SALES, INC.

By: \_\_\_\_\_  
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DUKE ENERGY MARKETING AMERICA, LLC

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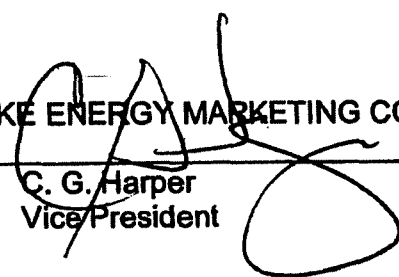
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**DUKE ENERGY SOUTHEAST PIPELINE CORPORATION**

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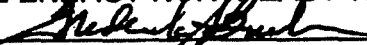
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Frederick S. Bush  
Vice President, Controller and Treasurer



**DUKE ENERGY MARKETING CORP.**

By: \_\_\_\_\_  
C. G. Harper  
Vice President

**DUKE ENERGY NATURAL GAS CORPORATION**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**DUKE ENERGY NORTHEAST TRANSMISSION COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**DUKE ENERGY POWER ASSETS HOLDING, INC.**

By: \_\_\_\_\_  
Dwight E. Jeter  
Assistant Treasurer

**DUKE ENERGY REGISTRATION SERVICES, INC.**

By: *Susie C. Adams*  
Susie C. Adams  
Treasurer

**DUKE ENERGY SERVICES, INC.**

By: \_\_\_\_\_  
C. N. Alexander  
Group Vice President, Human Resources

**DUKE ENERGY SOUTHEAST PIPELINE CORPORATION**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

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Frederick S. Bush  
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Vice President

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Sherwood L. Love  
Assistant Treasurer

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By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

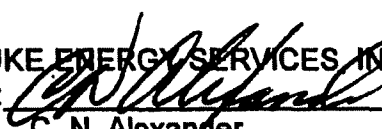
**DUKE ENERGY POWER ASSETS HOLDING, INC.**

By: \_\_\_\_\_  
Dwight E. Jeter  
Assistant Treasurer

**DUKE ENERGY REGISTRATION SERVICES, INC.**

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Susie C. Adams  
Treasurer

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Group Vice President, Human Resources

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Frederick S. Bush  
Vice President, Controller and Treasurer

**DUKE ENERGY WESTHEIMER, LP**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**DUKE ENGINEERING & SERVICES (EUROPE) INC.**  
By:   
Robert Irvin  
President

**DUKE JAVA, INC.**  
By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**DUKE PROJECT SERVICES, INC.**  
By:   
Robert Irvin  
President

**DUKE VENTURES, LLC**  
By: \_\_\_\_\_  
R. Wayne McGee  
Senior Vice President and Treasurer

**EASTOVER LAND COMPANY**  
By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer

**EASTOVER MINING COMPANY**  
By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer


**ENERGY PIPELINES INTERNATIONAL COMPANY**  
By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**FORT DRUM COGENCO, INC.**  
By: \_\_\_\_\_  
Curtis H. Davis  
President

**DUKE ENGINEERING & SERVICES (EUROPE) INC.**

By: \_\_\_\_\_  
Robert Irvin  
President

**DUKE JAYA, INC.**

By:   
Sherwood L. Love  
Assistant Treasurer


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By: \_\_\_\_\_  
Robert Irvin  
President


**DUKE VENTURES, LLC**

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R. Wayne McGee  
Senior Vice President and Treasurer

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By:   
Sherwood L. Love  
Treasurer

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By:   
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Treasurer

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Vice President, Controller and Treasurer

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Robert Irvin  
President

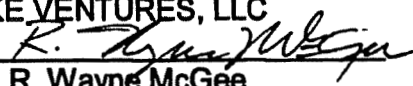
**DUKE JAVA, INC.**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

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By: \_\_\_\_\_  
Robert Irvin  
President

**DUKE VENTURES, LLC**

By:   
R. Wayne McGee  
Senior Vice President and Treasurer

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By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer

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Sherwood L. Love  
Treasurer

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Vice President, Controller and Treasurer

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Curtis H. Davis  
President

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President

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By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

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Sherwood L. Love  
Treasurer

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By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer

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Vice President, Controller and Treasurer

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President

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President

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President

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Sherwood L. Love  
Treasurer

**EASTOVER MINING COMPANY**

By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer

**ENERGY PIPELINES INTERNATIONAL COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**FORT DRUM COGENCO, INC.**

By: Curtis H. Davis  
Curtis H. Davis  
President

**GREENVILLE GAS AND ELECTRIC LIGHT AND POWER COMPANY**

By: Ellen T. Ruff  
Ellen T. Ruff  
Vice President

**HOUSTON CENTER CORPORATION**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**M & N MANAGEMENT COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**MOSS BLUFF HUB PARTNERS, L.P.**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**MP SUPPLY, INC.**

By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer

**NORTHSOUTH INSURANCE COMPANY LIMITED**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**PAN SERVICE COMPANY**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**PANENERGY COLORADO, INC.**


By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer




**GREENVILLE GAS AND ELECTRIC LIGHT AND POWER COMPANY**

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

**HOUSTON CENTER CORPORATION**

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

**M & N MANAGEMENT COMPANY**

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

**MOSS BLUE HUB PARTNERS, L.P.**

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

**MP SUPPLY, INC.**

By: \_\_\_\_\_  
Sherwood L. Love  
Treasurer

**NORTHSOUTH INSURANCE COMPANY LIMITED**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**PAN SERVICE COMPANY**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**PANENERGY COLORADO, INC.**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**GREENVILLE GAS AND ELECTRIC LIGHT AND POWER COMPANY**

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

**HOUSTON CENTER CORPORATION**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer


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Treasurer


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Assistant Treasurer


**PAN SERVICE COMPANY**

By:   
Sherwood L. Love  
Assistant Treasurer

**PANENERGY COLORADO, INC.**

By:   
Sherwood L. Love  
Assistant Treasurer


PANENERGY CORP.

By:   
Sherwood L. Love  
Assistant Treasurer


PANENERGY DEVELOPMENT COMPANY

By: \_\_\_\_\_  
Frederick S. Bush  
Controller and Treasurer

PANENERGY SERVICES LIMITED PARTNERSHIP

By:   
Sherwood L. Love  
Assistant Treasurer

PANHANDLE ACQUISITION THREE, INC.

By:   
Sherwood L. Love  
Assistant Treasurer


PANHANDLE FOUR, INC.

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

PEC MIDWEST, INC.

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

PELMAR COMPANY

By:   
Sherwood L. Love  
Assistant Treasurer


SOUTHEASTERN ENERGY SERVICES, INC.

By: \_\_\_\_\_  
Ronald G. Taylor  
Vice President

PANENERGY CORP.

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

PANENERGY DEVELOPMENT COMPANY

By:   
Frederick S. Bush  
Controller and Treasurer


PANENERGY SERVICES LIMITED PARTNERSHIP

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

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Sherwood L. Love  
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Ronald G. Taylor  
Vice President

**PANENERGY CORP.**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**PANENERGY DEVELOPMENT COMPANY**

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Frederick S. Bush  
Controller and Treasurer

**PANENERGY SERVICES LIMITED PARTNERSHIP**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

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Frederick S. Bush  
Vice President, Controller and Treasurer

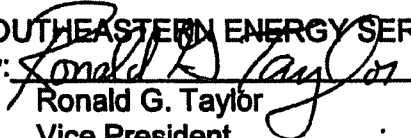
**PEC MIDWEST, INC.**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**PELMAR COMPANY**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**SOUTHEASTERN ENERGY SERVICES, INC.**

By:   
Ronald G. Taylor  
Vice President

**SOUTHERN POWER COMPANY**

By:   
Ellen T. Ruff  
Vice President

**TEPPCO HOLDINGS, INC.**

By: \_\_\_\_\_  
Sherwood L. Love  
Assistant Treasurer

**TEXAS EASTERN COMMUNICATIONS, INC.**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**TEXAS EASTERN CROSS BAY COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**TEXAS EASTERN CRYOGENICS, INC.**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**TEXAS EASTERN OIL COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**TEXAS EASTERN SLURRY TRANSPORT COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer


**TEXAS EASTERN TERMINAL COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**SOUTHERN POWER COMPANY**

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

**TEPPCO HOLDINGS, INC.**

By:   
Sherwood L. Love  
Assistant Treasurer

**TEXAS EASTERN COMMUNICATIONS, INC.**

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Frederick S. Bush  
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Vice President


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Vice President, Controller and Treasurer

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Frederick S. Bush  
Vice President, Controller and Treasurer

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By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

**TEXAS EASTERN SLURRY TRANSPORT COMPANY**


By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

**TEXAS EASTERN TERMINAL COMPANY**

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer




TEXAS-LOUISIANA PIPELINE COMPANY

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

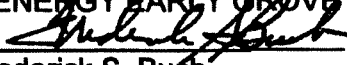
TRUNKLINE OIL PIPELINE COMPANY

By:   
Frederick S. Bush  
Controller

DUKE ENERGY VIRGINIA PIPELINE COMPANY

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer


DUKE ENERGY EARLY GROVE COMPANY

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

WATEREE POWER COMPANY

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

WESTCOAST ENERGY ENTERPRISES (US), INC.

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

WESTERN CAROLINA POWER COMPANY

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

DUKE POWER COMPANY LLC

By: \_\_\_\_\_  
Myron Caldwell  
Chief Financial Officer

**TEXAS-LOUISIANA PIPELINE COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**TRUNKLINE OIL PIPELINE COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Controller

**DUKE ENERGY VIRGINIA PIPELINE COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**DUKE ENERGY EARLY GROVE COMPANY**

By: \_\_\_\_\_  
Frederick S. Bush  
Vice President, Controller and Treasurer

**WATEREE POWER COMPANY**

By:  \_\_\_\_\_  
Ellen T. Ruff  
Vice President

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Frederick S. Bush  
Vice President, Controller and Treasurer

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Ellen T. Ruff  
Vice President

**DUKE POWER COMPANY LLC**

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Myron Caldwell  
Chief Financial Officer

**TEXAS-LOUISIANA PIPELINE COMPANY**

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Frederick S. Bush  
Vice President, Controller and Treasurer

**TRUNKLINE OIL PIPELINE COMPANY**

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Frederick S. Bush  
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Vice President

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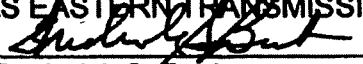
**WESTERN CAROLINA POWER COMPANY**

By: \_\_\_\_\_  
Ellen T. Ruff  
Vice President

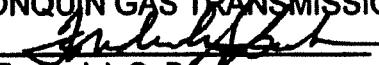
**DUKE POWER COMPANY LLC**

By: Myron Caldwell  
Myron Caldwell  
Chief Financial Officer

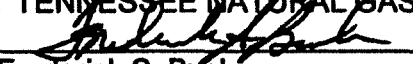
TEXAS EASTERN TRANSMISSION LP

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

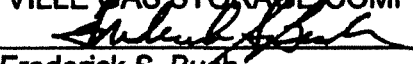
ALGONQUIN GAS TRANSMISSION LLC

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

EAST TENNESSEE NATURAL GAS LLC

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

SALTVILLE GAS STORAGE COMPANY LLC

By:   
Frederick S. Bush  
Vice President, Controller and Treasurer

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

**KyPSC-DR-01-033**

**REQUEST:**

33. Concerning transactions between Duke Kentucky's electric operations and any affiliated companies:
- a. Provide a comprehensive list and detailed description of any goods or services that have been provided to Duke Kentucky by any affiliated company or are expected to be provided during the forecasted test period.
  - b. Describe the benefits that Duke Kentucky derives from having affiliates provide the goods or services identified in part (a)
  - c. Provide a comprehensive list and detailed description of any goods or services that Duke Kentucky has provided to any affiliated companies or are expected to be provided during the forecasted test period.

**RESPONSE:**

(a), (b)

<b>Company Providing Service</b>	<b>Nature of Services</b>	<b>Pricing Policies</b>	<b>Benefits Derived</b>
Cinergy Services, Inc.	Administrative, Management and Support Services	Cost	Diversity of experience and expertise resulting in best practices which lead to efficiencies
The Cincinnati Gas & Electric Company	Operation, Maintenance and Construction Services	Cost	Diversity of experience and expertise resulting in best practices which lead to efficiencies

(c)

<b>Company Receiving Service</b>	<b>Nature of Services</b>	<b>Pricing Policies</b>
The Cincinnati Gas & Electric Company	Operation, Maintenance and Construction Services	Cost
Cinergy Solutions – Utility, Inc.	Installation and maintenance services	Cost
Cinergy One, Inc.	Installation and maintenance services	Cost

**WITNESS RESPONSIBLE:** Carol E. Shrum