



139 East Fourth Street 25<sup>th</sup> Floor  
Cincinnati, OH 45202  
Tel 513-287-3601  
FAX 513-287-3810  
John.FinniganJr@duke-energy.com

**JOHN J. FINNIGAN, JR.**  
Senior Counsel

**VIA HAND DELIVERY**

June 21, 2006

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

RECEIVED

JUN 21 2006

PUBLIC SERVICE  
COMMISSION

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

---

Dear Ms. O'Donnell:

I am writing to update Duke Energy Kentucky's May 31, 2006 rate application with additional tariff sheets to be added to Schedule L-1 and Schedule L-2.2. This filing includes copies of tariff sheets that are part of our current tariff and our proposed tariff. With the exception of Sheet No. 100, Emergency Electric Procedures as discussed below, we do not propose any changes from the existing tariff language or rates. We did not include these tariff sheets as part of our May 31, 2006 filing because we are not proposing any changes to these tariff sheets.

The only substantive change from our May 31, 2006 rate application is our proposed tariff change to Sheet No. 100, Emergency Electric Procedures. We are proposing a text change to this tariff sheet, to eliminate language stating that we will curtail all load outside the Company's certified service area prior to curtailing any customers within our certified service area. We are proposing to delete this language to conform with the Kentucky federal district court's decision in *Kentucky Power Co. d/b/a Amercian Electric Power v. Huelsman*, 352 F. Supp. 777 (E. D. Ky. 2005), holding that KRS 278.214 is unconstitutional.

The Company asserts that this language revision should not impact the effective date of the proposed rates because, pursuant to 807 KAR 5:011 Section 9(2), these omitted tariff sheets were not a "substantial omission, which was prejudicial to full consideration by the commission or to an intervenor." We submit that no prejudice occurred due to not filing the tariff sheets for which no changes are proposed. We further

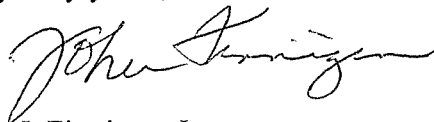
submit that no prejudice occurred from not filing the proposed text change for Sheet No. 100, Emergency Electric Procedures, because the Company's newspaper notice and the testimony of Mr. Bailey at page 35, lines 10-20 provided notice of this proposed change.

The foregoing tariff sheets are provided in the following sets:

- Schedule L-1 and Schedule L-2.2, with the tariff sheets showing an "issued" date when originally issued by the Company (except for Sheet No. 100, which has an "issued" date of June 21, 2006) and an "effective" date of July 1, 2006, to reflect that this filing relates back to the Company's May 31, 2006 rate application; and
- in the alternative, if the Commission does not accept the Company's proposed effective date of July 1, 2006, the Company submits Schedule L-1 and Schedule L-2.2, with the tariff sheets showing an "issued" date when originally issued by the Company (except for Sheet No. 100, which has an "issued" date of June 21, 2006) and an "effective" date of July 11, 2006, which is 20 days from today's date. The Company submits that the shortened 20-day notice period is appropriate under KRS 278.180(1), for the reasons stated in this letter and in the Company's June 16, 2006 motion filed in this proceeding.

Thank you for your consideration in this matter.

Very truly yours,



John J. Finnigan, Jr.  
Senior Counsel

JJF/sew

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

ORIGINAL + 10 COPIES

L-2.2  
EFFECTIVE  
DATE OF

7/1/06

Schedule L-2.2  
SUPPLEMENTAL  
Page 1 of 63  
Witness Responsible: J. R. Bailey

RECEIVED

JUN 21 2006

PUBLIC SERVICE  
COMMISSION

**SCHEDULE OF RATES, CLASSIFICATIONS  
RULES AND REGULATIONS**

**FOR**

**ELECTRIC SERVICE**

**OF**

**DUKE ENERGY KENTUCKY**

**KY.P.S.C. NO. 1**

**This Tariff cancels and supersedes U.L.H.&P. Tariff KY.P.S.C. No. 4**

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 1 of 3

---

## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions thereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adequate and suitable, as to capacity and voltage, for the service desired; otherwise special agreements between Customer and Company may be required.

Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the Contrary, service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 2. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally. Such information must be confirmed in writing.

### 3. Continuity of Service.

The Company shall make reasonable provisions to supply satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity and shall not be liable for any damage or claim of damage attributable to any interruption or reversal of service caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case  
No. 2006-00172 in accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: ~~April 3,~~ July 1,

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 2 of 3

---

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**4. Suspension of Service for Repairs and Changes.**

When necessary to make repairs to or changes in Company's plant, generating equipment, transmission or distribution system, or other property, Company may without incurring any liability therefor, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

**5. Use of Service.**

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of remetering or reselling or otherwise disposing of service supplied Customer except as follows:

- (a) If on November 10, 1953, Customer was engaged in resale under a rate which permitted resale, the Company will continue to furnish electricity for resale at the same premises under the applicable effective rate schedule only on the condition that any charge made by Customer for service resold shall not exceed the charge determined in accordance with Company's applicable rate, as in effect from time to time, for like service, until and unless otherwise ordered by the Kentucky Public Service Commission.
- (b) Customer operating an automobile trailer camp, with consent of Company may install meters and resell electricity to individual trailers only on the same condition in respect to charges as stated in paragraph (a), above.

Customer will not build lines across or under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

No other electric light or power service, shall, except under a contract for auxiliary or supplementary service, be used by Customer on the same installation in conjunction with Company's service, either by means of a "Throwover" switch or any other connection.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, in accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006  
2006

Effective: April 3, July 1,

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 3 of 3

---

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**6. Customer's Responsibility.**

Customer assumes all responsibility on Customer's side of the point of delivery (the end of the Company's service drop, or where Company's wires are joined to Customer's wires or apparatus) for the service supplied or taken, as well as for the electrical installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

**7. Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's lines or extensions thereof necessary or incidental to the supplying of service to Customer, or customers beyond Customer's property when such rights are limited to installations along dedicated streets and roads.

**8. Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

**9. Location of Customer's Service Terminals.**

Customer's service terminals are to be located at a point readily accessible to Company's service mains, such point to be determined by Company.

---

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172. ~~in accordance with TFS2006-00440 dated March 24, 2006.~~

---

Issued: March 31, 2006  
2006

Effective: April 3, July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 22  
Page 1 of 1

---

### SECTION III - CUSTOMER'S INSTALLATIONS

#### 1. Nature and Use of Installation.

All wiring and other electrical equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

#### 2. Low Power Factor Equipment Installation.

In the case of neon lamps, mercury vapor lamps, and other gaseous tube lamps or devices, motors and other equipment having low power factors, served under the Company's standard rate schedules, not having *Power Factor Correction Provision*, the Customer will be required to provide at his own expense power factor corrective equipment designed to increase the power factor of any such lamps or devices, motors and other equipment to not less than .85.

When the power factor of any such equipment on the Customer's premises is less than .85, the following provision will apply:

- (a) When the billing demand is determined by estimate based on the connected load of the Customer's installation, the wattage of such equipment will be taken as the volt ampere input or rating of such equipment.
- (b) When the billing demand is measured by demand instruments, to the demand so established will be added the difference between the rating in watts of such equipment, and the input or rating of such equipment in volt amperes.

#### 3. Special Power Apparatus.

In the case of hoists, elevators, welding machines or other installations, where the use of electricity is intermittent or subject to violent fluctuations, Company reserves the right to use the input rating or the metered instantaneous demand of such equipment under maximum operating conditions, for billing purposes, or to require the Customer to provide at his own expense, suitable equipment to reasonably limit such intermittence or fluctuation.

#### 4. Changes in Installations.

As Company's service drops, transformers, meters, and other facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase. Any change affecting an estimated billing demand shall be rerated by Company's inspector and shall become effective from the succeeding meter reading.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, in accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006  
2006

Effective: July 1 April 3,  
2006

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 24  
Page 1 of 1

---

## SECTION V - METERING

### 1. Installation of Meters.

Electricity will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service drop, and upon the registration of said meter or meters all bills will be calculated. Company will install upon customer's premises but one meter or one unified set of meters of each standard service connection.

### 2. Meter Tests.

All meter tests shall be made in accordance with rules by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

### 3. Monitoring of Customer Usage.

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172 in accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006  
2006

Effective: April 3, July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 1 of 3

---

## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading was taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, and bills are payable only at the Company's offices or authorized agencies for collection. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late payment charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

Issued by authority of an Order the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 2 of 3

---

### SECTION VI - BILLING AND PAYMENT (Contd.)

#### 3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge for Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

#### 4. Temporary Discontinuance of Service.

If any customer on a residential rate, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided, however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge for Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

#### 5. Selection of Rate Schedule.

When a prospective customer makes application for service, Company will, upon request, assist in the selection of the Rate Schedule most favorable to customer or the service requested. The selection will be based on the prospective customer's statement as to the class of service desired, the amount and manner of use, and any other pertinent information.

#### 6. Change to Optional Rate Schedule.

A customer being billed under one of two or more optional Rate Schedules applicable to his class of service may elect to be billed on any other applicable Rate Schedule by notifying Company in writing, and Company will bill customer under such elected Schedule from and after the date of the next meter reading. However, a customer having made such a change of Rate Schedule may not make another such change within the next twelve months.

#### 7. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

Issued by authority of an Order the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 3 of 3

---

**SECTION VI - BILLING AND PAYMENT (Contd.)**

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

**8. Partial payment Plans.**

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

**9. Bill Format**

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

Issued by authority of an Order the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 26  
Page 1 of 2

---

## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, ~~accordance with TFS2006-00440 dated March 24, 2006.~~

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 26  
Page 2 of 2

---

**SECTION VII - DEPOSITS (Contd.)**

**2. All Calculated Deposits.**

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case  
No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: ~~April 3~~ July 1,

issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 27  
Page 1 of 1

---

## SECTION VIII - APPLICATION

### 1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made change therein, substitutions therefor or additions thereto.

### 2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application, rates terms, conditions, rules or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said commission.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2006-00172, ~~accordance with TFS2006-00440 dated March 24, 2006.~~

---

Issued: March 31, 2006  
2006

Effective: ~~April 3,~~ July 1

Issued by Sandra P. Meyer, President



Account Number 1212-1212-12-4 80 21

Due Date	Amount Due
mmm dd, yyyy	\$ 78.79

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 WinterCare Contribution Amount Enclosed  
 (for Customer Assistance)

Current Customer  
 12345Your Street  
 Your City ST 12345-1234

PO Box 9001076  
 Louisville KY 40290-1076

200 0000078794 12121212124 mmmddyyyy2 0000080867

Page 1 of 2

Name/Service Address	For Inquiries Call	Account Number
Current Customer 12345Your Street Your City ST 12345-1234	Duke Energy 1-800-123-4567	1212-1212-12-4

Mail Payments To	Account Information
PO Box 9001076 Louisville KY 40290-1076	Payments after mmm dd not included Last payment received mmm dd Bill Prepared on mmm dd, yyyy Next meter reading mmm dd, yyyy

Urgent Messages are printed in this section of the bill with a box around the message text.

Meter	Number	Reading Date		Days	Meter Reading		Usage
		From	To		Previous	Present	
Gas	11111111	mmm dd	mmm dd	30	1975	1993	18
Elec	22222222	mmm dd	mmm dd	30	21202	21789	587

Gas - Residential	
Usage -	18 CCF
Duke Energy - Rate RS	\$ 33.20
<b>Current Gas Charges</b>	<b>\$ 33.20</b>
Gas Cost Recovery Chrg: x.xxxxxxx/CCF	

Current Billing	
Balance - Previous Bill	\$ 100.87
Payment(s) Received	100.87 cr
<b>Balance Forward</b>	<b>0.00</b>
Current Gas Charges	\$ 33.20
Current Electric Charges	41.34
Taxes	4.25
<b>Current Amount Due</b>	<b>\$ 78.79</b>

Electric - Residential	
Usage -	587 kWh
Duke Energy - Rate RS	\$ 41.34
<b>Current Electric Charges</b>	<b>\$ 41.34</b>

Taxes	
Taxes	\$ 4.25

Non-Urgent Bill Messages appear in this section of the bill

Due Date	Amount Due	After
mmm dd, yyyy	\$ 78.79	mmm dd, yyyy pay
		\$ 80.86

Printed on recycled paper and is recyclable.





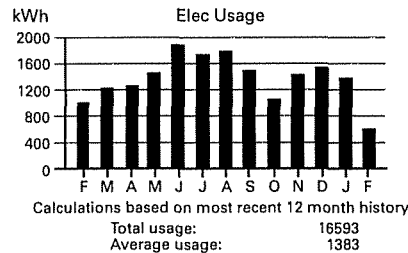
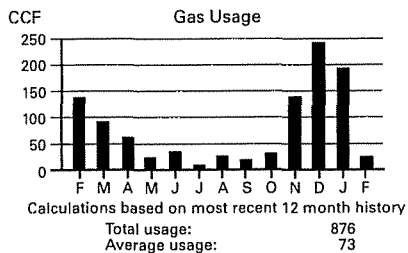


Name	Service Address	Account Number
Current Customer	12345 Your St Your City ST 12345-1234	1212-1212-12-4

Explanation of Current Charges		
<b>Gas</b> Meter # 11111111 CCF Usage - 18  mmm dd - mmm dd 30 Days	<b>Duke Energy</b> Rate RS - Residential Service  Customer Charge \$ xx.xx Gas Delivery Charge 18 CCF @ \$ x.xxxxxxx x.xx Gas DSM Rider 18 CCF @ \$ x.xxxxxxx x.xx Gas Cost Recovery 18 CCF @ \$ x.xxxxxxx xx.xx	\$ xx.xx
<b>Total Current Gas Charges</b>		<b>\$ xx.xx</b>
<b>Electric</b> Meter # 22222222 kWh Usage 587  mmm dd - mmm dd 30 Days	<b>Duke Energy</b> Rate RS - Residential Srvs-xxxxxxx  Customer Charge \$ x.xx Energy Charge 587 kWh @ \$ x.xxxxxxx xx.xx Elec DSM Rider 587 kWh @ \$ x.xxxxxxx x.xx Elec Fuel Adjustment 587 kWh @ \$ x.xxxxxxx x.xx cr	\$ xx.xx
<b>Total Current Electric Charges</b>		<b>\$ xx.xx</b>

Explanation of Taxes		
Taxes	Rate Incr for School Tax \$ x.xx	\$ x.xx
<b>Total Taxes</b>		<b>\$ x.xx</b>

Printed on recycled paper and is recyclable.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Gas	143	87	58	24	38	7	27	17	29	142	238	191	18
Electric	1025	1209	1211	1478	1855	1689	1698	1528	1035	1376	1575	1352	587



**Bill Payment Made Easy**

**e-Bill** - View and pay your bill for free at [www.duke-energy.com](http://www.duke-energy.com)  
**BillPayer 2000®** - Automatically pay from your checking account for 30¢/transaction - enroll at 1-800-991-7771  
**Speedpay®** - Pay by phone at 1-877-596-5068 with credit card or check for \$3.95/transaction

**EXPLANATION OF ESTIMATED CHARGES**

Meters are scheduled to be read monthly. Regular meter readings are essential for accurate billing. When we are unable to read a meter, the usage is estimated based on previous bills. An estimated read will be considered the same as an actual read.

**PAYMENT OF BILLS**

In order to avoid paying a late charge, please mail your payment to Duke Energy several days before the due date. Or, if you prefer, you may pay by phone through Speedpay, pay online with e-Bill, or pay automatically through BillPayer 2000®. Payments can also be made at a Duke Energy office or Pay Station location. For more information about our bill payment options, please visit us at [www.duke-energy.com](http://www.duke-energy.com) or call 1-800-544-6900.

Disconnection of your utility service(s) will not result from failure to pay any non-tariffed or non-regulated products or services.

**LATE PAYMENT CHARGE INFORMATION**

You can avoid a late payment charge if you pay your current month's charges plus at least \$5.00 on any past due balance. However your payment must be received in a Duke Energy office by the DUE DATE shown on your current bill.

Please note, any unpaid past due balance remains subject to collection efforts, including possible disconnection of services.

**EXPLANATION OF BILL LANGUAGE  
 (The following terms will not appear on every bill)**

BBP Cycle	Period of time used to calculate the current Budget Billing monthly installment amount.	Elec. Rate	Code that identifies the rate used to determine the Electric Usage Charge.
CCF	Gas usage, measured in hundreds of cubic feet.	EST or E	Estimated Meter Read.
CR	Credited amount.	Gas Rate	Code that identifies the rate used to determine the Gas Usage Charge.
Current Gas Charges	Total of all charges based on gas usage during the current billing period.	kWh	Electric usage measured in Kilowatt-hours.
Customer Charge	Charge for administrative costs, including meter reading, billing, and collecting. The Customer Charge for each service includes 10 cents for an energy assistance program approved by the Public Service Commission.	Late Payment	Additional charge added to the bill if Amount To Pay is not received in full by the due date.
		Meter Multiplier	Constant number that the meter reading usage is multiplied by to obtain the energy usage.
		Usage	Amount of energy used during the billing period.

**GAS COST INFORMATION**

The GAS COST ADJUSTMENT (GCA) rate is the cost (per 100 cubic feet) of gas we purchase from our suppliers. This rate varies periodically as gas prices to us increase or decrease. Duke Energy makes no profit on this charge since it is based on the actual cost we pay our suppliers for the gas we purchase and resell. The GCA amount is included in your total bill as an addition to the Gas Usage Charge, which covers our normal operating expenses for delivering gas to you.

**ELECTRIC COST INFORMATION**

The ELECTRIC FUEL ADJUSTMENT (EFA) rate is the increase or decrease (since determination of the Base Period Fuel Cost) in the cost of fuel purchased from our supplier and used to generate electricity. The EFA rate is computed monthly according to a formula established by the Kentucky Public Service Commission. Duke Energy makes no profit on the EFA since it is based on the actual cost of fuel used to generate electricity. The amount of the EFA is included in your total bill.

**BILLING OR SERVICE INQUIRIES**

If you have a question about your bill or service, call us at (513) 421-9500, or from a toll free area call 1-800-544-6900. You may also write to our Customer Services Department at P.O. Box 960, Mail Drop 309C, Cincinnati, OH 45201, contact us by fax at (513) 287-2376, or e-mail us at [www.duke-energy.com](http://www.duke-energy.com). Rate schedules and service regulations are available upon request.

**BUSINESS HOURS**

**OFFICE HOURS:**  
 Cincinnati - 8:00 a.m. - 5:00 p.m. Monday - Friday  
 Newport - 8:00 a.m. - 5:00 p.m. Monday - Friday

**SERVICE EMERGENCY NUMBERS**

Gas Trouble - (513) 651-4466 OR 1-800-634-4300  
 Electric Trouble - (513) 651-4182 OR 1-800-543-5599

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

Ky.P.S.C. Electric No. 1  
Original Sheet No. 63  
Page 1 of 2

---

**RATE OL-E  
OUTDOOR LIGHTING EQUIPMENT INSTALLATION**

**APPLICABILITY**

Applicable for the installation of any street or outdoor area lighting system (System) on private or public property and owned by the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service for the System under this tariff shall require a written agreement between the Customer and the Company. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's Installations and Section IV, Company's Installations.

A separate written agreement is required for the electrical energy consumed by this lighting system.

**CONTRACT FOR SERVICE**

The Customer will enter into an Outdoor Lighting Equipment Agreement, herein 'Agreement', with the Company for an initial term not to exceed ten years and automatically renewable annually thereafter. Termination by either party shall require 120 days advance written notice. The Agreement shall specify the lighting equipment to be installed and owned by the Company, the term of the agreement, itemized monthly charges for the equipment, maintenance terms, and any other necessary information.

The initial Agreement will include two specific monthly charges: a monthly System Charge based on the Company's cost of purchasing and installing the System (Installed Cost), and a monthly Maintenance Charge. The monthly System Charge will end with the expiration of the initial Agreement term while the monthly Maintenance Charge will continue for the life of the System. When the Agreement is terminated by Customer request before initial term expiration, the Customer must reimburse the Company the sum of all remaining monthly System Charges for the initial term of the Agreement, minus salvage value as determined by the Company.

The System Charge is determined by applying the current Levelized Fixed Charge Rate (LFCR), to the Company's cost of purchasing and installing the System. The Customer agrees to the resulting monthly charge that is dependent on the initial term length of the Agreement. The initial term length is the Customer's choice up to and including ten years. The Customer may make an up-front payment that will be applied against the Installed Cost and will thereby reduce the monthly System Charge.

The monthly Maintenance Charge covers estimated equipment maintenance costs as specified in the Agreement, including the ongoing costs of ownership such as administration, taxes and insurance. The Agreement allows for re-evaluation and possible adjustment to the maintenance monthly charges every three years.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006

Effective: ~~April 3~~ July 1, 2006

Issued by Sandra P. Meyer, President

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

Ky.P.S.C. Electric No. 1  
Original Sheet No. 63  
Page 2 of 2

---

### LEVELIZED FIXED CHARGE CALCULATION

The annual Levelized Fixed Charge Rate percentage is calculated as follows:

$$\text{LFCR} = r + d + \left( \frac{T}{1-T} \right) \times ( r + d - D ) \times \left( \frac{r - i}{r} \right)$$

Where r = Rate of Return (Cost of Capital)  
D = Depreciation Rate (straight line)  
T = Federal and State Composite Income Tax Rate  
i = Synchronized Interest Deduction  
d = Sinking Fund Factor

### LATE PAYMENT CHARGE

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

### OWNERSHIP OF SERVICE LINES

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

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

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

### SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006

Effective: ~~April 3~~ July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 71  
Page 1 of 1

---

## RIDER TS

### TEMPORARY SERVICE

#### APPLICABILITY

Applicable to electric service of a temporary nature, where the standard residential or general service rates are effective for the application of this rider, for a period of less than one year and non-recurring, supplied in accordance with provisions of the appropriate rate currently in effect.

#### TYPE OF SERVICE

Service will be in accordance with the specifications of the standard applicable rate.

#### CHARGES

In addition to charges for service furnished under the applicable standard rate the customer will pay in advance the following charge:

Estimated unit cost of each service with supporting data to be filed with the Commission and updated annually by the utility.

#### TERM OF SERVICE

Temporary service hereunder will be rendered for a period not longer than six calendar months from the date of installation, provided however, the Company may, at its option, renew said temporary connection for an additional period of three months if required by the temporary need. At the expiration of said initial period or any renewal thereof, the Company may discontinue the service from the premise.

#### SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006

Effective: ~~April 3~~ July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 72  
Page 1 of 1

---

## RIDER X

### LINE EXTENSION POLICY

#### APPLICABILITY

Applicable to electric service supplied in accordance with the provisions of the appropriate rate currently in effect, from the nearest available distribution lines of required type of service when it is necessary to extend such lines.

#### EXTENSION PLAN

##### Extensions

When the estimated cost of extending the distribution lines to reach the customer's premise equals or is less than three (3) times the estimated gross annual revenue the Company will make the extension without additional guarantee by the customer over that applicable in the rate, provided the customer establishes credit in a manner satisfactory to the Company.

When the estimated cost of extending the distribution lines to reach the customer's premise exceeds three (3) times the estimated gross annual revenue, the customer may be required to guarantee, for a period of five (5) years, a monthly bill of one (1) percent of the line extension cost for residential service and two (2) percent for non-residential service.

When the term of service or credit have not been established in a manner satisfactory to the Company, the customer may be required to advance the estimated cost of the line extension in either of the above situations. When such advance is made the Company will refund, at the end of each year, for four (4) years, twenty-five (25) percent of the revenues received in any one year up to twenty-five (25) percent of the advance.

#### SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, ~~accordance with TFS2006-00440 dated March 24, 2006.~~

---

Issued: March 31, 2006

Effective: ~~July 1~~ April 3, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 73  
Page 1 of 2

---

## RIDER LM

### LOAD MANAGEMENT RIDER

#### APPLICABILITY

The Off Peak Provision is applicable to customers with an average monthly demand in excess of fifteen (15) kilowatts established over the most recent twelve month period receiving service under the provisions of either Rate DS, Service at Secondary Distribution Voltage, or Rate DP, Service at Primary Distribution Voltage.

#### OFF PEAK PROVISION

The "off peak period" for the summer season is defined as the period from 8:00 p.m. of one day to 11:00 a.m. of the following day; Friday from 8:00 p.m. to 11:00 a.m. of the following Monday; and from 8:00 p.m. of the day preceding a legal holiday to 11:00 a.m. of the day following that holiday. The "off peak period" for the winter season is defined as the period 2:00 p.m. to 5:00 p.m. and from 9:00 p.m. of one day to 9:00 a.m. of the following day; Friday from 9:00 p.m. to 9:00 a.m. of the following Monday; and from 9:00 p.m. of the day preceding a legal holiday to 9:00 a.m. of the day following that holiday. The following are recognized legal holidays as far as load conditions of the Company's system are concerned: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day. If the foregoing holidays occur on a Sunday, the following Monday is considered a holiday.

The "on peak period" is defined as all hours exclusive of the "off peak period" hours set forth in the preceding paragraph.

- I. For customers with an average monthly demand in excess of fifteen (15) kilowatts and not to exceed five hundred (500) kilowatts where electric service is furnished under the provisions of the Company's existing Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage.
  - A. For purposes of administration of this rider, the summer season, as stated above, is the period beginning June 1 and ending September 30. The winter season consists of all other days which have not been recognized in the summer season.
  - B. This provision is only available as Company demand meters with a programmable time-of-use register are installed on the customer's premise. Due to the limited availability of such metering equipment and Company personnel, a demand meter will be installed as metering equipment and Company personnel are available.
  - C. The customer will be required to pay the current installed cost of the time-of-use metering equipment in excess of the current installed cost of the standard demand register equipment, normally installed by the Company, which is required under the provision of Rate DS. All metering equipment shall remain the property of the Company which shall be responsible for its installation, operation, maintenance, testing, replacement or removal.

---

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: July 1 April-3,

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 73  
Page 2 of 2

---

**OFF PEAK PROVISION (Contd.)**

- D. When a customer elects the OFF PEAK PROVISION, the monthly customer charge of the applicable Rate DS will be increased by an additional monthly charge of five dollars (\$5.00) for each installed time-of-use meter. In addition, the DEMAND provision of Rate DS shall be modified to the extent that the billing demand shall be based upon the "on peak period," as defined above.
- II. For customers who meet the Company's criteria for the installation of a magnetic tape recording device for billing, and where electric service is furnished under the provisions of either Rate DS, Service at Secondary Distribution Voltage, or Rate DP, Service at Primary Distribution Voltage.
- A. For purposes of administration of this rider, the summer season, as stated above, is the period beginning with the meter reading date in the month of May and ending with the meter reading date in the month of September or the period beginning June 1 and ending September 30, at the Company's option. The winter season consists of all other days which have not been recognized in the summer season.
- B. The "off peak period" billing demand will be taken at fifty (50) percent of the highest fifteen minute demand established during the "off peak period," as defined above.
- C. When a customer elects this OFF PEAK PROVISION, the applicable monthly customer charge of Rate DS or Rate DP will be increased by an additional monthly charge of one hundred dollars (\$100.00).

The DEMAND provision of the applicable Rate DS or Rate DP shall be modified to the extent that the billing demand shall be based upon the "on peak period," as defined above. However, in no case shall the billing demand be less than the "off peak period" billing demand or the billing demand as determined in accordance with the DEMAND provision of the applicable Rate DS or Rate DP, as modified.

**TERMS AND CONDITIONS**

The term of contract for the Off Peak Provision shall be a minimum period of one (1) year.

The Company shall not be required to increase the capacity of any service facilities in order to furnish off peak demands. The Company reserves the right, upon 30 days notice to customers affected, to change the time or times during which on peak demands may be established.

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

---

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, ~~accordance with TFS2006-00440 dated March 24, 2006.~~

Issued: March 31, 2006  
2006

Effective: July 1April 3,

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 1 of 4

---

**RIDER DSM**

**DEMAND SIDE MANAGEMENT COST RECOVERY RIDER**

**APPLICABILITY**

Applicable to service rendered under the provisions of Rates RS (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class).

**CHARGES**

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per kilowatt-hour of monthly consumption and, where applicable, a rate per kilowatt of monthly billing demand, in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY**. For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided capacity and energy costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected kilowatt-hour sales for the upcoming twelve-month period. The cost of approved programs assigned or allocated to the non-residential class shall be allocated as either demand-related or energy-related based on the respective percentage of avoided capacity cost or avoided energy cost to the total avoided cost estimated in the determination of the net resource savings for the program. For purposes of this tariff, net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The demand-related program costs thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PC. The associated energy-related program costs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PC for such rate class.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006

Effective: July 1April-3, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 2 of 4

**LR = LOST REVENUE FROM LOST SALES RECOVERY.** Revenues from lost sales due to DSM programs will be recovered through the decoupling of revenues from actual sales of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at 0.0175; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated kilowatt-hour sales for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of kilowatt-hour sales and, where applicable, the kilowatt-months of billing demand that will be lost for each twelve-month period as a result of the implementation of the approved programs times the energy charge for the applicable rate schedule, less the variable cost included in the charge, and the demand charges, respectively; and, 2) dividing that product by the expected kilowatt-hour sales or expected billing demand in kilowatt-months for the upcoming twelve-month period. The lost revenue attributable to decreased sales to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased kilowatt-hour energy sales and billing demand in kilowatt-months. Recovery of revenues from lost sales calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006

Effective: July 1/April 3, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 3 of 4

---

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be allocated as either demand-related or energy-related in the same manner as program costs are allocated as demand- or energy related. The demand-related PI amount thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PI. Similarly, the energy-related incentive amount thus determined shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous application of the BA and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006

Effective: ~~July 1~~ April 3, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 4 of 4

---

**BA = DSM BALANCE ADJUSTMENT (Cont.d)**

For the non-residential class, balance adjustment amounts will be separated into both demand and energy-related components. The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the demand-related balance adjustment amounts, plus interest, shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related BA, while the total of the energy-related balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky's electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

**DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

**SERVICE REGULATIONS**

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

---

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006

Effective: July 1/April 3, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
First Revised Sheet No. 78  
Cancels and Supersedes  
Original Sheet No. 78  
Page 1 of 1

---

**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills beginning with the May 2006 revenue month is \$0.001080 per kilowatt-hour.

Beginning with the February 2006 revenue month, an Energy Assistance Program (EAP) charge of \$0.10 will be applied monthly to residential customer bills through December 2006. The Company may, with prior Commission approval, extend this program through 2007.

The DSMR to be applied to non-residential service customer bills beginning with the May 2006 revenue month for distribution service is \$0.000012 per kilowatt-hour, and \$0.000000 per kilowatt-hour for transmission service.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. ~~20065-00172402 dated April 4, 2006 and April 12, 2006.~~

---

Issued: April 27, 2006  
2006

Effective: July May-1,

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
First Revised Sheet No. 81  
Canceling and Superseding  
Original Sheet No. 81  
Page 1 of 1

## RIDER MSR-E

### MERGER SAVINGS CREDIT RIDER – ELECTRIC

#### APPLICABILITY

Applicable to all retail sales in the Company electric service area excluding Interdepartmental sales.

#### MERGER SAVINGS CREDIT RIDER FACTORS

The applicable energy charges for electric service shall be decreased monthly by the amounts stated below to reflect the sharing of the merger savings, net of merger costs, per the merger savings sharing plan approved by the Commission in Case No. 2005-00228. This Rider shall take effect at the start of the first billing cycle which occurs 30 or more days following merger closing. This Rider shall remain in effect for 60 months or until the effective date of new rates established by the Company's next electric base rate case provided such date is later than January 1, 2008.

<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	0.000988
Rate DS, Service at Secondary Distribution Voltage	0.000223
Rate DP, Service at Primary Distribution Voltage	0.000223
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.000223
Rate EH, Optional Rate for Electric Space Heating	0.000223
Rate GS-FL, General Service Rate for Small Fixed Loads	0.000223
Rate SP, Seasonal Sports Service	0.000223
Rate SL, Street Lighting Service	0.000483
Rate TL, Traffic Lighting Service	0.000483
Rate UOLS, Unmetered Outdoor Lighting	0.000483
Rate OL, Outdoor Lighting Service	0.000483
Rate NSU, Street Lighting Service for Non-Standard Units	0.000483
Rate NSP, Private Outdoor Lighting Service for Non-Standard Units	0.000483
Rate SC, Street Lighting Service – Customer Owned	0.000483
Rate SE, Street Lighting Service – Overhead Equivalent	0.000483
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.000011
Other	0.000264

#### SERVICE REGULATIONS

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

Issued by authority of and Order of the Kentucky Public Service Commission dated ~~November 29, 2005~~ in Case No. ~~20056-00228~~172.

Issued: May 1, 2006

Effective: ~~May~~July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 82  
Page 1 of 2

---

## RIDER PSM

### OFF-SYSTEM SALES PROFIT SHARING MECHANISM

#### APPLICABILITY

Applicable to all retail sales in the Company electric service area excluding Interdepartmental sales for the billing months of May, 2006 through December, 2006.

#### PROFIT SHARING RIDER FACTORS

The applicable energy charges for electric service shall be decreased monthly by the stated amounts below to reflect the sharing of the off-system sales profits, per the Agreed Stipulation approved by the Commission in Case No. 2005-00228. This Rider shall become effective within 30 days after the consummation of the merger and shall remain in effect through the completion of billing for the December 2006 revenue month. At such time the terms of this Rider shall expire and the profit sharing mechanism shall revert to the terms approved in the Commission's December 5, 2003 Order in case No. 2003-00252.

Under this sharing mechanism and for calendar year 2006 only, the off-system sales profits shall be shared and allocated as follows: the first \$1.45 million in off-system sales profits shall be allocated to customers; the next \$400,000 of off-system sales profits shall be allocated to ULH&P; and any additional off-system sales profits shall be allocated 50 / 50% between ULH&P and customers. In no event shall the amount of the off-system sales profits allocated to customers be less than \$1.45 million for 2006.

The off-system sales profits applicable to customers shall be allocated to customer class based on the proportion of operation and maintenance expense in the cost of service study (excluding fuel, purchased power and gas commodity expense) approved in ULH&P's most recent electric base rate case. ULH&P will account for such off-system sales profits beginning January 1, 2006 through December 31, 2006, and will credit customers for such profits beginning with the first billing cycle which begins 30 days or more following merger closing. ULH&P will project and credit customers for profits for December 2006, and will perform a true-up for such amounts in January 2007.

Issued by authority of an Order of the Kentucky Public Service Commission dated ~~November 29, 2005~~ in Case No. ~~20056-00228~~172.

---

Issued: April 27, 2006  
2006

Effective: May July 1,

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 82  
Page 2 of 2

---

<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	0.001127
Rate DS, Service at Secondary Distribution Voltage	0.000250
Rate DP, Service at Primary Distribution Voltage	0.000186
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.000157
Rate EH, Optional Rate for Electric Space Heating	0.000898
Rate GS-FL, General Service Rate for Small Fixed Loads	0.000135
Rate SP, Seasonal Sports Service	0.000377
Rate SL, Street Lighting Service	0.000542
Rate TL, Traffic Lighting Service	0.000542
Rate UOLS, Unmetered Outdoor Lighting	0.000542
Rate OL, Outdoor Lighting Service	0.000542
Rate NSU, Street Lighting Service for Non-Standard Units	0.000542
Rate NSP, Private Outdoor Lighting Service for Non-Standard Units	0.000542
Rate SC, Street Lighting Service – Customer Owned	0.000542
Rate SE, Street Lighting Service – Overhead Equivalent	0.000542
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.000028
Other	0.000250

**SERVICE REGULATIONS**

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

Issued by authority of an Order of the Kentucky Public Service Commission dated November 29, 2005 in Case No. 20056-00228172.

---

Issued: April 27, 2006  
2006

Effective: May July 1,

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 85  
Page 1 of 1

---

## RIDER BR

### BROWNFIELD REDEVELOPMENT RIDER

#### AVAILABILITY

Available to customers locating in a qualified "brownfield" redevelopment area as defined by Kentucky or federal law and served by existing primary service lines. Customers qualifying for service under this rider must enter into a Service Agreement and special contract with the Company. In order to receive service under this rider the special contract must be approved by the Kentucky Public Service Commission.

#### NET MONTHLY BILLING

The customer shall comply with all terms of the standard tariff rate under which the customer takes service except as contravened by the following.

- For the first 12 month period, the demand charge shall be reduced by 50 percent;
- For the second 12 month period, the demand charge shall be reduced by 40 percent;
- For the third 12 month period, the demand charge shall be reduced by 30 percent;
- For the fourth 12 month period, the demand charge shall be reduced by 20 percent;
- For the fifth 12 month period, the demand charge shall be reduced by 10 percent.

All subsequent billings shall be at the appropriate full standard service tariff rate.

#### TERMS AND CONDITIONS

The customer shall enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served and monthly minimum levels of demand and usage.

The Special Contract shall be in effect for a minimum term of eight (8) years and the customer shall be billed monthly based on the greater of: (a) its actual monthly demand and usage levels; or (b) the minimum monthly demand and usage levels specified in its Service Agreement and Special Contract.

The terms of this rider do not preclude the Company from offering different terms under a special contract if the Company deems it appropriate. The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

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

---

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: ~~April 3~~ July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 1 of 3

---

## RIDER DIR

### DEVELOPMENT INCENTIVE RIDER

#### GENERAL

Under the terms of this Rider, qualifying customers are required to enter into a Special Contract with the Company which Special Contract shall be subject to approval by the Kentucky Public Service Commission. The Development Incentive Rider consists of two separate programs designed to encourage development and/or redevelopment within the Company's service territory. These two programs are the Economic Development Program and the Urban Redevelopment Program. Each of these programs is described below.

#### PROGRAM DESCRIPTIONS

##### **Economic Development (ED) Program**

Available, at the Company's option, to non-residential customers receiving service under the provisions of one of the Company's non-residential tariff schedules. The ED Program is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under the ED Program of this Rider and the Company approves such application. The new load applicable under the ED Program must be a minimum of 1,000 kW at one delivery point. To qualify for service under the ED Program, the customer must meet the qualifications as set forth below. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under the ED Program. Where the customer is new to the Company's service area or is an existing customer expanding:

- 1) the Company would expect the customer employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees per 1,000 kW of new load. Employment additions must occur following the Company's approval for service under this Rider, and;
- 2) the Company would expect that the customer's new load would result in capital investment of one million dollars (\$1,000,000) per 1,000 kW of new load, provided that such investment is accompanied by a net increase in FTE employees employed by the customer in the Company's service area. This capital investment must occur following the Company's approval for service under this Rider.

The Company may also consider applying the ED Program to an existing customer who, but for economic incentives being provided by the State and/or local government or public agency, would leave the Company's service area. In this event, the customer must agree, at a minimum, to retain the current number of FTE employees.

The ED Program is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into a Special Contract for service under the ED Program, the successor customer may be allowed to fulfill the balance of the Special Contract under the ED Program. The ED Program is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. The ED Program is not available for load shifted from one customer to another within the Company's service area.

---

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 2 of 3

---

#### **PROGRAM DESCRIPTIONS (Contd.)**

##### **Urban Redevelopment (UR) Program**

Applicable to new customers locating in an existing building of 25,000 square feet or more, which has been unoccupied and/or remained dormant for a period of two years or more, as determined by the Company. The new customer load must be a minimum of 500 kW at one delivery point. In addition, the requested service necessary to serve the new load must not result in additional investment in distribution or transmission facilities by the Company, excepting that minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed.

The UR Program is not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. The UR Program is also not available for load shifted from one establishment to another in the Company's service area. However, if a change of ownership occurs after the customer enters into a Special Contract under the UR Program, the successor customer may be allowed to fulfill the balance of the Special Contract under the UR Program.

#### **NET MONTHLY BILLING**

The customer shall comply with all terms of the standard tariff rate under which the customer takes service except that the customer's total bill for electric service, less any rate adjustment rider amounts as shown on the standard service tariff, shall be reduced by up to fifty (50) percent for a period of twelve (12) months. The customer will pay the full amount of the riders so indicated. The customer may request an effective date of the Rider which is no later than twelve (12) months after the Special Contract is approved and signed by the Company. All subsequent billings shall be at the appropriate full standard service tariff rate.

#### **TERMS AND CONDITIONS**

The Service Agreement shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification under this Rider. The customer must affirm that the availability of this Rider was a factor in the customer's decision to locate the new load or retain current load in the Company's service area.

For customers entering into a Service Agreement under this Rider due to expansion, the Company may install, at customer's expense, metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

Following the effective date of the Special Contract, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average load factor of 40 percent. Failure to do so will result in the customer being billed a minimum bill based on the minimum demand specified in the Service Agreement and a monthly average load factor of 40 percent.

The customer shall continue to take service from the Company at the same or greater demand and usage levels for a period of at least two (2) years following the twelve (12) month incentive period. The customer shall be billed monthly for two (2) years following the twelve (12) month incentive period based on the greater of: (a) its actual monthly demand and usage levels; or (b) its average demand and usage levels during the twelve (12) month incentive period.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 3 of 3

---

**TERMS AND CONDITIONS (Contd.)**

The terms of this rider do not prevent the Company from offering different terms under a special contract if the Company deems it appropriate. The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

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

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 90  
Page 1 of 1

---

## BAD CHECK CHARGE

### APPLICABILITY

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

### CHARGE

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

### SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 1 of 6

---

## RATE CATV

### RATE FOR POLE ATTACHMENTS OF CABLE TELEVISION SYSTEMS

#### APPLICABILITY

Applicable to the attachment of cable television systems to any pole of the Company by a person (attachee) who makes application on an appropriate Company form with submission of information and documents specified herein and in the application.

#### ATTACHMENT CHARGES

The following annual rental shall be charged for the use of each of the Company's poles:

\$4.60 for a two-user pole.

\$4.00 for a three-user pole.

A two-user pole is a pole being used, either by actual occupation or by reservation, by the attachee and the Company. A three-user pole is a pole being used, either by actual occupation or by reservation, by the attachee, the Company and a third party.

#### PAYMENT

Attachee shall pay to the Company for all authorized attachments an annual rental, as set forth above, for the use of each of the Company's pole, any portion of which is occupied by, or reserved at attachee's request for the attachments of attachee, at any time during the initial rental year. The first annual payment of rental for the previous rental year shall be due and payable on the first anniversary date of attachee's application. Subsequent payments of annual rental shall be due and payable on each succeeding anniversary date thereof.

As newly authorized attachments are made after the initial rental year, rentals for such attachments shall be paid for the entire year if made within the six month period after any anniversary date, and for on-half year if made during the following six month period. For any attachments removed by attachee and for which the Company shall have received written notice from attachee, the yearly rental shall be prorated to the date of removal.

All fees, charges and rentals provided for herein not paid when due and payable shall bear interest at the maximum rate permitted by law from the date when due, until paid.

#### TERMS AND CONDITIONS

1. Prior to the signing of the application, attachee shall send the Company all manufacturers' technical manuals and information, and construction standards and manuals regarding the equipment attachee proposes to use pursuant to the provisions contained herein and such other information as requested by the Company.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006

Effective: April 3/July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 2 of 6

---

**TERMS AND CONDITIONS (Contd.)**

2. After the Company has received a signed application from attachee and before any attachment is made by attachee, it shall make a written request for permission to install attachments on any pole of the Company, specifying the location of each pole in question, the character of its proposed attachments and the amount and location of space desired. Within 30 days after receipt of such application, the Company shall notify attachee in writing whether or not is willing to permit the attachments and, if so, under what conditions. If such permission is granted, attachee shall have the right to occupy the space allotted by the Company under the conditions specified in such permit and in accordance with the terms contained herein but Company shall not be required to set a pole for the sole use by attachee. Company will not deny attachee the right to attach to a pole, if space is or can be made available.
3. All attachments are to be placed on poles of the Company in a manner satisfactory to the Company and so as not to interfere with the present or any future use which the Company may desire to make of such poles, wires or other facilities. All attachments shall be installed and maintained by attachee so as to comply at least with the minimum requirements of the National Electrical Safety Code and any other applicable regulations or codes promulgated by federal, state, local or other governmental authority having jurisdiction. Attachee shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of attachee's attachments on the Company's poles. The Company shall be the sole judge as to the requirements for the present or future use of its poles and equipment and of any interference therewith.
4. In any case where it is necessary for the Company to replace a pole because of the necessity of providing adequate space or strength to accommodate the attachments of attachee thereon, either at the request of attachee or to comply with the above codes and regulations, the attachee shall pay the Company the total cost of this replacement. Such cost shall be the total estimated cost of the new pole including material, labor, and applicable overheads, plus the cost of transferring existing electric facilities to the new pole, plus the cost of removal of the existing pole and any other incremental cost required to provide for the attachments of the attachee, including any applicable taxes the Company may be required to pay because of this change in plant, minus salvage value of any poles removed.

Attachee shall also pay to the Company and other owners thereof the cost of removing all existing attachments from the existing pole and re-establishing the same or like attachments on the newly installed pole. The new pole shall be the property of the Company regardless of any payments by attachee towards its cost and attachee shall acquire no right, title or interest in such pole.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006

Effective: April 3 July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 3 of 6

---

**TERMS AND CONDITIONS (Contd.)**

5. If attachee's proposed attachments can be accommodated on existing poles of the Company by rearranging facilities of the company and of other attachees or permittees thereon, such rearrangement shall be made by the Company and such other attachees or permittees, and attachee shall on demand reimburse the Company and such other attachees or permittees for any expense incurred by them in transferring or rearranging such facilities. Any additional guying required by reason of the attachments of attachee shall be made by attachee at its expense, and to the satisfaction of the Company.
6. Whenever the Company discovers any unauthorized attachments of attachee, attachee shall pay to the Company an amount equal to twice the rental that would have been due had the installation been made the day after the Company's last inspection. The payment of these charges shall not relieve attachee of any responsibility, obligation imposed by law or assumed herein.
7. Whenever the Company notifies attachee in writing that the attachments of attachee interfere with the operation of facilities of the Company or other attachees or permittees, or constitute a hazard to the service rendered by the Company or other attachees or permittees, or fail to comply with codes or regulations above-mentioned, or are substandard in any way, attachee shall within 10 days after the date of such notice, remove, rearrange, or change its attachments as directed by the Company. In case of emergency, the Company reserves the right to remove or relocate the attachments of attachee at attachee's expense and without notice.
8. Attachee agrees to indemnify and save harmless Company from and against any and all liability, loss, damage, costs, attorney fees, or expense, of whatsoever nature or character, arising out of or occasioned by any claims or any suit for damages, injunction or other relief, on account of injury to or death of any person, or damage to any property including the loss of use thereof, or on account of interruption of attachee's service to its subscribers or others, or for public charges and penalties for failure to comply with federal, state or local laws or regulations, growing out of or in connection with any actual or alleged negligent act or omission, whether said negligence is sole, joint or concurrent, of attachee or its servants, agents or subcontractors, whether or not due in part to any act, omission or negligence of Company or any of its representatives or employees. Company may require attachee to defend any suits concerning the foregoing, whether such suits are justified or not.
9. Attachee agrees to obtain and maintain at all times during the period attachee has attachments on Company's poles, policies of insurance or bonds in lieu thereof providing an equivalent protection as follows:
  - (a) Public liability and automobile liability insurance for itself in an amount not less than \$500,000.00 for bodily injury to or death of any one person, and, subject to the same limit for any one person, in an aggregate amount not less than \$1,000,000.00 for any one occurrence.
  - (b) Property damage liability insurance for itself in an amount not less than \$500,000.00 for any one occurrence.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006

Effective: April 3/July 1, 2006

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 4 of 6

---

**TERMS AND CONDITIONS (Contd.)**

- (c) Contractual liability insurance in the amounts set forth in (a) and (b) above, to cover the liability assumed by the attachee under the agreements of indemnity set forth herein.
10. Prior to making attachments to the Company's poles, attachee shall furnish to the Company two copies of a certificate or bond, from an insurance carrier or bond company acceptable to the Company, stating the policies of insurance or bond have been issued by it to attachee providing for the insurance or indemnity listed above and that such policies or bonds are in force. Such certificate shall state that the insurance carrier or bond company will give the Company 30 days prior written notice of any cancellation of or material change in such policies or bonds. The certificate or bond shall also quote in full the agreements of indemnity set forth herein as evidence of the type of contractual liability coverage furnished. If such certificate or bond recites that it is subject to any exceptions or exclusions, such exceptions or exclusions shall be stated in full in such certificate or bond, and the Company may, at its discretion, require attachee, before starting work, to obtain policies of insurance or bonds which are not subject to any exceptions or exclusions which the Company finds objectionable.
  11. The Company reserves the right, without liability to attachee or its subscribers, to discontinue the use of, remove, replace or change the location of any or all of the Company's poles, attachments or facilities regardless of any occupancy of the Company's poles by attachee, and attachee shall at its sole cost after written notice by the Company, make such changes in, including removal or transfer of, its attachments as shall be required by such action of the Company. Attachee shall make such changes within 10 days after written notice when such movement is to the same or another pole of Company and within 30 days when Company plans to abandon a pole and no other pole is available or planned to be installed by Company. If attachee fails to make such changes within the required time period after written notice by the Company or in case of an emergency, the Company reserves the right to make such changes to the attachments of attachee at attachee's expense and without notice, and no liability therefor shall be incurred by the Company, unless Company is solely negligent, because of such action for any consequential damages, including but not limited to loss of service to customers of attachee. Company may not require that attachee remove attachments for the sole reason to make room for Company on an existing pole.
  12. Attachee may at any time abandon the use of a jointly used pole hereunder by removing therefrom all of its attachments and by giving written notice thereof to the Company.
  13. Attachee shall secure any right, license or permit from any governmental body, authority, or other person or persons which may be required for the construction or maintenance of attachments of attachee, at its expense. The Company does not guarantee any easements, rights-of-way or franchises for the construction and maintenance of such attachments. Attachee hereby agrees to indemnify and save harmless the Company from any and all claims, including the expenses incurred by the Company to defend itself against such claims, resulting from or arising out of the failure of attachee to secure such right, license, permit or easement for the construction or maintenance of such attachments on the Company's poles.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006

Effective: April 3/July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 5 of 6

---

**TERMS AND CONDITIONS (Contd.)**

14. Electric service for cable television power supplies of attachee shall be supplied from the lines of the Company in the manner specified by the Company.
15. The Company shall have the right, from time to time while any poles are being used by attachee, to grant, by contract or otherwise, to others, rights or privileges to use any poles being used by attachee, and the Company shall have the right to continue and extend any such rights or privileges heretofore granted. The attachment privileges granted hereunder to an attachee shall at all times be subject to all previously granted rights pursuant to agreements between Company and others covering poles in joint use but shall not be subject to subsequently granted rights.
16. Attachee shall furnish bond, as specified by the Company, to guarantee the performance of the obligations assumed by attachee under the terms herein contained not otherwise covered by the insurance required by paragraph 9. Such bond shall be submitted to the Company prior to attachee's making attachments to the Company's poles. The amount of the bond may be reduced after the construction phase has been completed, and after attachee has proven to be a reliable utility customer. Allowance of such reduction shall not be unreasonably denied.
17. In case one party is obligated to perform certain work at its own expense and the parties mutually agree in writing that it is desirable for the other party to do such work, then such other party shall promptly do the work at the sole expense of the party originally obligated to perform the same. Bills for expense so incurred shall be due and payable within 30 days after presentation.
18. If attachee fails to comply with any of the provisions herein contained or defaults in the performance of any of its obligations herein contained and fails within 60 days after written notice from the Company to correct such default or non-compliance, the Company may, at its option, forthwith terminate the specific permit or permits covering the poles and attachee's attachments to which such default or non-compliance is applicable and any or all other permits of attachee, and remove attachments of attachee at attachee's expense, and no liability therefor shall be incurred by the Company because of such action except damages to facilities caused by the sole negligence of Company.
19. The area covered by the application will be set forth on a map, attached to, and made a part of the application. Such area may be extended or otherwise modified by a supplemental agreement mutually agreed upon and signed by the attachee and the Company with a new map attached thereto showing the changed area to be thereafter covered by the application. Such supplement shall be effective as of the date of final execution thereof and shall be attached to all executed copies of the application.
20. If attachee does not exercise the rights granted herein within six months from the date of the application, the application shall be void.

---

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006

Effective: April 3/July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 6 of 6

---

**TERMS AND CONDITIONS (Contd.)**

21. The provisions herein shall be binding upon and inure to the benefit of the parties thereto, their respective successors and/or assigns, but attachee shall not assign, transfer or sublet any of the rights hereby granted or obligations hereby assumed without the prior written consent of the Company.

**SERVICE REGULATIONS**

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

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with ~~TFS2006-00440~~ dated ~~March 24, 2006~~ in Case No. 2006-00172.

---

Issued: March 31, 2006

Effective: ~~April 3~~ July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 95  
Page 1 of 1

---

**LOCAL FRANCHISE FEE**  
**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of electricity to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to by the Company.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006

Effective: ~~April 3~~ July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 96  
Page 1 of 3

---

## RATE UDP-R

### UNDERGROUND RESIDENTIAL DISTRIBUTION POLICY

#### APPLICABILITY

Applicable to the electric service of: 1. single family houses in increments of ten (10) or more contiguous lots with a maximum lot width of one hundred twenty (120) feet; or 2. multi-family dwellings in buildings containing five (5) or more individually metered family units. Rate UDP-R is available throughout the service area of the Company in those situations where the Company extends its distribution lines using pad-mounted transformers to serve new developments.

#### CHARGES

The following charges will be assessed:

1. Single Family Houses.

- A. \$2.15 per front foot for all primary extensions. Primary extension on private property will be charged \$2.15 per linear trench foot; and
- B. An additional \$2.00 per linear trench foot shall be charged where extremely rocky conditions are encountered, such conditions being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more which cannot be removed using ordinary excavation equipment.

2. Multi-Family Units.

There shall be no charge except where extremely rocky conditions are encountered, then the \$2.00 per linear trench foot, as stated and defined above, shall be charged.

#### GENERAL CONDITIONS

- 1. Others shall, in accordance with the specification of the Company and local inspection authority, furnish, install, own and maintain the customer services. The Company shall connect the customer service cable to its distribution system and provide and install pull-boxes, if necessary.
- 2. The Developer shall furnish and install all conduit and crossovers required by the Company, including all areas where paving is installed prior to the installation of the Company's distribution facilities, and be responsible for installing and maintaining these crossovers in accordance with the Company's specifications and location plans until the underground electric line is completed. A Company inspector must approve all crossovers before the trenches are backfilled; and the Developer shall stake each end of every crossover with a stake marked "ELEC." The Company shall determine where conduit and crossovers are required.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 96  
Page 2 of 3

---

**GENERAL CONDITIONS (Contd.)**

3. The Developer shall complete and be responsible for maintaining final grade within the right-of-way and the street until the street has been dedicated and accepted by the local government.
4. The Company shall determine the route of all Company-owned underground electric line extensions. Such facilities must be located so as to accessible at all times for switching and maintenance.
5. The point at which the underground distribution system begins shall be determined by the Company and the overhead primary extension to this point may be installed as open-wire conductors.
6. The Company shall determine equipment locations and such facilities must be accessible from adequate driveways, protected from mechanical hazards and placed so as to maintain proper clearance from building openings.
7. The Company shall determine the number of customers to be served from each transformer or pull-box, where meters shall be located and how they shall be grouped.
8. The Developer, at the Company's option, may be required to pay to the Company a deposit on the contracted charges when the agreement is executed. The Developer shall pay to the Company the balance due under said agreement at the Company's preconstruction meeting, at which time the work performed by the Company is scheduled.
9. The Developer shall furnish to the Company the required number of plat drawings approved by governmental authorities having jurisdiction, and any revisions of such plats, which shall indicate the location of all proposed driveways, parking areas, building openings and sewer, water, gas and telephone facilities.
10. The Developer shall stake all required lot corners or control points along the cable route as specified by the Company.
11. The Developer shall complete final grade of distribution line route before construction work is started and be responsible for maintaining same during construction. The Company shall permit a maximum cut of six inches for sidewalk and driveways after their facilities have been installed. No fill will be permitted after the Company's facilities have been installed except by written permission from the Company. If it is necessary to change the grade of the Company's facilities due to changes by the Developer, all costs of the change shall be borne by the Developer.
12. The underground construction area shall be clear of all other construction forces and, after the underground construction has begun, it shall not be interrupted by other construction forces.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 3 of 3

---

**GENERAL CONDITIONS (Contd.)**

13. The Developer shall enter into a written agreement with the Company. This agreement and an attached plan shall constitute written notice when Developer has signed said agreement and the ENDORSEMENT attached to said plat, accepting the location of underground electric facilities as shown thereon. Any additional engineering required or extra construction costs required by the Company shall be borne by the Developer.
14. The Developer shall grant to the Company, on its applicable forms, all rights-of-way which in the opinion of the Company are necessary or desirable for such extensions.
15. Should the Developer request additional facilities, different routing or termination points, or changes in the facilities planned or installed, the Developer shall pay the total estimated cost to the Company for such additional facilities or changes.
16. The Developer shall also pay the cost of any repairs or replacement to the distribution system resulting from the negligent act of acts of the Developer, his agents, workmen, contractors or tenants.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 1 of 3

---

## RATE UDP-G

### GENERAL UNDERGROUND DISTRIBUTION POLICY

#### APPLICABILITY

Applicable to electric service of: 1. single family houses or multi-family dwellings that do not qualify under the Applicability of the Underground Residential Distribution Policy; 2. commercial and industrial customers; or 3. special situations. Rate UDP-G is available throughout the service area of the Company in those situations where the Company extends its distribution lines to serve new developments not covered by the Underground Residential Distribution Policy.

#### CHARGES

The charges shall be the difference between the Company's estimated cost to provide an underground system and the Company's estimated cost to provide an overhead system. In addition to the differential charge, the following provisions are applicable:

1. Single Family Houses or Multi-Family Units.

The customer may be required to provide the necessary trenching, backfilling, conduit system (if required) and transformer pads in place to Company's specifications.

2. Commercial and Industrial Units.

The customer shall:

- a) Provide the necessary trenching and backfilling;
- b) Furnish, install (concrete, if required), own and maintain all primary and/or secondary conduit system (with spares, if required) on private property meeting applicable codes and Company's specifications; and
- c) Provide the transformer pad and secondary conductors.

3. Special Situations

In those situations where the Company considers the pad-mounted transformer installations unsuitable, the customer shall provide the vault designed to meet National Electric Code, other applicable codes, and Company specifications, the conduit to the vault area and the secondary cable to the transformer terminals. The Company shall provide the transformers, the primary vault wiring and make the secondary connection to the transformer terminals.

---

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 2 of 3

---

### CHARGES (Cont'd.)

In large multiple cable installations, the customer shall provide the cable, provide and install the step bus mounted in the vault, and make necessary cable connections to the step bus to the Company's specifications. The Company shall provide and install connections from the transformer terminals to the step bus.

The customer shall extend the bus duct into the vault to the Company's specifications. The Company shall provide and install connections from the transformer terminals to the bus duct.

### GENERAL CONDITIONS

1. Other shall, in accordance with the specifications of the Company and local inspection authority, furnish, install, own and maintain the customer services. The Company shall connect the customer service to its distribution system and provide and install pull boxes, if necessary.
2. The customer shall furnish and install all conduit systems required by the Company, and be responsible for maintaining the conduit system in accordance with the Company's specifications and location plans until the underground electric line is completed. A Company inspector must approve all conduit systems before the trenches are backfilled; and the customer shall stake each end of every crossover with a stake marked "ELEC." The Company shall determine where conduit systems are required.
3. The customer shall complete and be responsible for maintaining final grade within the right-of-way and the street until the street has been dedicated and accepted by the local government.
4. The Company shall determine the route of all Company-owned underground electric line extensions. Such facilities must be located so as to be accessible at all times for switching and maintenance.
5. The point at which the underground distribution system begins shall be determined by the Company and the overhead primary extension to this point may be installed as open-wire conductors.
6. The Company shall determine equipment locations and such facilities must be accessible from adequate driveways, protected from mechanical hazards and placed so as to maintain proper clearance from building openings.
7. The Company shall determine the number of customer to be served from each transformer or pull-boxes, where meters shall be located and how they shall be grouped.
8. The customer, at the Company's option, may be required to pay to the Company a deposit on the contracted charges when the agreement is executed. Upon completion of construction of the underground electric facilities, the customer shall pay to the Company the balance due under said agreement.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

---

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

**GENERAL CONDITIONS (Cont'd.)**

9. The customer shall furnish to the Company the required number of plat drawings approved by governmental authorities having jurisdiction, and any revisions of such plats, which shall indicate the location of all proposed driveways, parking areas, building openings and sewer, water, gas, telephone and CATV facilities.
10. The customer shall stake all required lot corners or control points along the cable route as specified by the Company.
11. The customer shall complete final grade of distribution line route before construction work is started and be responsible for maintaining same during construction. The Company shall permit a maximum cut of six inches for sidewalk and driveways after their facilities have been installed. No fill will be permitted after the Company's facilities have been installed except by written permission from the Company. If it is necessary to change the grade of the Company's facilities due to changes by the customer, all costs of the change shall be borne by the customer.
12. The underground construction area shall be clear of all other construction forces and, after the underground construction has begun, it shall not be interrupted by other construction forces.
13. The customer shall enter into a written agreement with the Company. This agreement and an attached plat shall constitute written notice when customer has signed said agreement and/or the ENDORSEMENT attached to said plat, accepting the location of underground electric facilities as shown thereon. Any additional engineering required or extra construction costs required of the Company shall be borne by the customer.
14. The customer shall grant to the Company, on its applicable forms, all rights-of-way which in the opinion of the Company are necessary or desirable for such extensions.
15. Should the customer request additional facilities, different routing or termination points, or changes in the facilities planned or installed, the customer shall pay the total estimated cost to the Company for such additional facilities or changes.
16. The customer shall also pay the cost of any repairs or replacement to the distribution system resulting from the negligent act or acts of the customer, his agents, workmen, contractors or tenants.
17. The customer will not be required to pay the differential in cost between a pad-mounted and pole-mounted transformer.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 1 of 5

---

**ELECTRICITY EMERGENCY PROCEDURES**  
**FOR**  
**LONG-TERM FUEL SHORTAGES**

**APPLICABILITY**

In the event of an energy emergency which necessitates curtailment of electricity consumption, Duke Energy Kentucky and consumers of electric energy supplied by the Company shall take actions set forth herein, except where the Kentucky Public Service Commission (Commission) or other authority having jurisdiction in the matter orders otherwise.

**PROCEDURES**

Electricity emergency procedures may be necessary if there is a shortage in the electric energy supply to meet the requirements of consumers of electric energy in the service area of the Company. The procedures set forth the actions to be taken by the Company and consumers of electric energy in the event of a long-term fuel shortage for electric generation jeopardizing electric service to the Company's customers.

**I. DEFINITIONS**

For purposes of this procedure, the Company has adopted the following definitions:

- A. "electricity priority uses" shall mean the amount of electrical energy necessary for protection of the public's health and safety, and for the prevention of unnecessary or avoidable damage to property at:
1. Residences (homes, apartments, nursing homes, institutions, and facilities for permanent residents or transients);
  2. Hospitals;
  3. Medical and human life support systems and facilities;
  4. Electric power generating facilities and central heating plants serving the public;
  5. Telephone, radio, television, and newspaper facilities;
  6. Local and suburban transit systems and air terminal facilities;
  7. Police and fire fighting facilities;

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, ~~accordance with TFS2006-00440 dated March 24, 2006.~~

---

Issued: March 31, 2006  
2006

Effective: July 1 ~~April 3~~,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 2 of 5

---

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case  
No. 2006-00172, ~~accordance with TFS2006-00440 dated March 24, 2006.~~

---

Issued: March 31, 2006  
2006

Effective: July 1 ~~April 3,~~

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 3 of 5

---

**DEFINITIONS (Contd.)**

8. Water supply and pumping facilities;
  9. Sanitary service facilities for collection, treatment, or disposal of community sewage;
  10. Federal facilities essential to national defense or energy supply;
  11. Production facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuel, and for fuel refineries;
  12. Pipeline transmission and distribution facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuels;
  13. Coal mines and related facilities;
  14. Production, processing, distribution, and storage facilities for dairy products, meat, fish, poultry, eggs, produce, crackers, bread, and livestock and poultry feed;
  15. Buildings and facilities limited to uses protecting the physical plant and structure, appurtenances, product inventories, raw materials, livestock, and other personal or real property; and
  16. Such other similar uses as may be determined by the Kentucky Public Service Commission (hereinafter "Commission").
- B. "non-priority uses" shall mean all uses of electricity other than priority uses.
- C. "consumer" shall mean that person or entity who consumes electric energy from the Company.
- D. "normal burn days" shall mean the number of days of coal supply available for operation of the generating facilities of the Company's supplier, Duke Energy Ohio.
- E. "normal usage" shall mean electric energy consumption by a consumer during the comparable period during the previous year adjusted for weather or other major changes in usage.

The Company encourages consumers who have electric priority uses to implement the actions required herein to the extent reasonably possible. Consumers who have electric priority uses or have critical equipment or processes should consider the installation of emergency generation equipment if continuity of service is essential.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: July 1 ~~April 3,~~

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 4 of 5

---

## II. LONG-TERM FUEL SHORTAGE

- A. Upon the commencement of a coal miners' strike, officially declared or otherwise, or other happening which could cause a long-term fuel shortage, the Company shall curtail non-essential use of energy on premises controlled by the Company including parking and large area lighting and interior lighting except lighting required for security and safety, and other uses of energy both during and outside normal business hours.
- B. Voluntary Curtailment:
1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to forty (40) days, the Company shall request voluntary conservation by all consumers of at least 25% of all non-priority use of electric.
  2. The Company shall implement a public appeals campaign through the news media to its consumers making appropriate suggestions for achieving usage reductions. These reductions should include but not be limited to the following:
    - (a) Reduce outdoor lighting;
    - (b) Reduce general interior lighting levels to minimum levels to the extent this contributes to decreased electricity usage;
    - (c) Reduce show window and display lighting to minimum levels to protect property;
    - (d) Reduce the number of elevators operating in office buildings during non-peak hours;
    - (e) Reduce electric water heating temperature to minimum level.
    - (f) Minimize work schedules for building cleaning and maintenance, restocking, etc., in order to eliminate the necessity for office or commercial and industrial facilities to be open beyond normal working hours;
    - (g) Minimize electricity use by maintaining a building temperature of no less than 78 degrees Fahrenheit by operation of cooling equipment and no more than 68 degrees Fahrenheit by operation of heating equipment;
    - (h) Encourage, to the extent possible, daytime scheduling of entertainment and recreational facilities.
  3. The Company, through the issuing of periodic bulletins to the news media, shall inform the general public of:

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: July 1 April 3,

Issued by Sandra P. Meyer, President

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

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case  
No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: July 1~~April 3~~,

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 6 of 5

---

## II. LONG-TERM FUEL SHORTAGE (Contd.)

- (a) The coal supply level of its supplier, at least weekly;
- (b) The actions which will be required of consumers if it becomes necessary to initiate mandatory curtailment of electric energy and the procedures to be followed prior to and during the period electric usage is restricted.

### C. Mandatory Curtailment - Stage One:

- 1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to thirty (30) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All non-priority outdoor lighting is prohibited;
  - (c) All public, commercial, and industrial buildings shall minimize electricity use by maintaining a building temperature of no less than 85 degrees Fahrenheit by the operation of cooling equipment and no more than 60 degrees Fahrenheit by the operation of heating equipment, except where health requirements or equipment protection deem such measures to be inappropriate;
  - (d) All public, commercial, and industrial buildings shall reduce interior lighting to the minimum levels essential for continued work and operations to the extent this contributes to decreased use of electric energy.

### D. Mandatory Curtailment - Stage Two:

- 1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty-five (25) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All consumers shall discontinue non-priority use of electricity on two days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 25% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage one levels during other days of the week.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: ~~July 1~~ April 3,

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 7 of 5

---

## II. LONG-TERM FUEL SHORTAGE (Contd.)

### E. Mandatory Curtailment - Stage Three:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty (20) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All consumers shall discontinue non-priority use of electricity on three days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 50% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage two levels during other days of the week.

### F. Mandatory Curtailment - Stage Four:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to fifteen (15) days, all consumers shall discontinue all non-priority use of electricity on all days of each week.

### III. The Company shall take such measures in connection with its facilities as are necessary and reasonable for the implementation of these procedures.

Where the integrity of the Company's electric system is in jeopardy, the Company may take additional measures it deems appropriate, such as voltage reduction up to 5% and interruption of selected distribution circuits on a rational basis.

## IV. PENALTIES

Failure of a consumer to comply with the Company's mandatory curtailment stages may subject that consumer's electric service to disconnection by the Company. Where the Company discovers that a consumer has exceeded its directed usage limitation by more than 15% in a thirty (30) day period, the Company shall notify the Commission that, on the third working day after said discovery, it shall disconnect electric service to such consumer until the fuel supply emergency is relieved.

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

---

Issued: March 31, 2006  
2006

Effective: July 1 April 3,

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 1 of 7

## EMERGENCY ELECTRIC PROCEDURES

### APPLICABILITY

In the event of an energy emergency which necessitates curtailment of electric service, Duke Energy Kentucky may curtail electrical service to its customers in the manner set forth herein, either at its sole discretion, or under applicable policies, guidelines, directives or procedures issued by the East Central Area Reliability Council (ECAR), National Electric Reliability Council (NERC), the Midwest Independent Transmission System Operator, Inc. (Midwest ISO), or their successor organizations, or when required by the Kentucky Public Service Commission (Commission).

### PROCEDURES

#### I. General Rules Applicable to Energy Emergency

Emergency electrical procedures may be necessary in the event of electric supply shortages, transmission constraints, or other emergency conditions in the assigned service area of Duke Energy Kentucky and/or outside the assigned service area of Duke Energy Kentucky.

An emergency means an anticipated or existing shortage in the supply of or constraint in the transmission or distribution of electrical energy, which cannot be avoided by market purchases of energy or transmission capacity and which has or may adversely affect the operation or reliability of generating or transmission and distribution facilities.

In the event of an emergency, Duke Energy Kentucky may take any remedial measure that it deems reasonably necessary to alleviate the emergency condition or that may be required either by the Commission or under applicable policies, guidelines, directives or procedures issued by ECAR (including the then current revision of ECAR Document No. 3, Emergency Operations), NERC, the Midwest ISO, or their successor organizations, or Duke Energy Kentucky's emergency plan. During an emergency, Duke Energy Kentucky will follow the procedures set forth herein with regard to essential customers as defined in section II, below. Duke Energy Kentucky will take the remedial measures to alleviate the emergency conditions as set forth in section III, below.

#### II. Essential Customers

Essential customers are defined as follows:

- (A) hospitals and emergency care facilities, which shall be limited to those facilities providing medical care and performing in-patient surgery on patients;
- (B) federal, Commonwealth and county prisons and detention institutions;
- (C) police and fire stations, Kentucky national guard facilities, military bases, and federal facilities essential to the national defense;
- (D) "critical customers," which means any customer or consumer on a medical or life support system for whom an interruption of service would be immediately life threatening and who is enrolled in Duke Energy Kentucky's program for critical customers;
- (E) radio and television stations used to transmit emergency messages and public information broadcasts relating to emergencies;

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 21, 2006

Effective: ~~April 3, 2006~~ July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancel and Supersedes  
Original Sheet No. 100  
Page 2 of 7

## II. Essential Customers (Contd.)

- (F) water pumping plants essential to the supply of potable water to a community;
- (G) sewage plants essential to the collection, treatment or disposal of a community's sewage;
- (H) emergency management and response facilities and the county-wide "911" system;
- (I) nursing homes;
- (J) central office telephone switching stations; and
- (K) blood banks.

Duke Energy Kentucky does not guarantee a continuous and uninterrupted flow of power to any customer. Power interruptions may occur due to many causes other than the emergency procedures set forth herein. Further, essential customers should expect that their power may be interrupted in the event of an emergency due to the nature of the emergency and the normal configuration of electric supply systems.

Essential customers are responsible for anticipating the possibility that power may be interrupted and for developing contingency plans if continuity of service is essential. Such contingency plans may include installing on-site backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location.

Duke Energy Kentucky will make reasonable efforts to maintain service to essential customers during an emergency and will attempt to minimize the time period of any interruption, when practical. Duke Energy Kentucky may, however, curtail power to essential customers during an emergency. Duke Energy Kentucky will attempt to identify essential customers and maintain a list of these customers for its load curtailment plans. Duke Energy Kentucky will verify and update this list annually and review its curtailment rotation schedules in an attempt to minimize the number of essential customers affected by curtailment.

Residential customers may request to participate in Duke Energy Kentucky's program for critical customers. Residential customers requesting to participate in this program must initially obtain a Medical Certificate from a licensed physician as to the need for and use of life support equipment in their household and must submit the certificate to Duke Energy Kentucky along with their request to enroll in the program.

Upon enrollment in the program, Duke Energy Kentucky will notify the customer in writing of the customer's options and responsibilities during an interruption, such as the need for backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location. Duke Energy Kentucky will also notify these customers that it cannot guarantee a continuous and uninterrupted flow of power. Duke Energy Kentucky will annually verify the customers' eligibility to continue to participate in the program.

Any non-residential customer may apply to be considered an essential customer, provided they must notify Duke Energy Kentucky in writing of this request and provide the specific reasons why they should be considered an essential customer. Duke Energy Kentucky will respond in writing within ten days of receipt of the request informing the customer whether, in Duke Energy Kentucky's sole discretion, they will be classified as a non-residential essential customer. Non-residential essential customers are also encouraged to develop contingency plans for use during an emergency, such as

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 21, 2006

Effective: ~~April 3, 2006~~ July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 3 of 7

the need for backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location.

## II. Essential Customers (Contd.)

Essential customers should prepare to implement their contingency plans any time that Duke Energy Kentucky makes a public appeal for voluntary conservation, due to the possibility that Duke Energy Kentucky may experience an emergency during such time that Duke Energy Kentucky makes public appeals for voluntary conservation.

If Duke Energy Kentucky has adequate advance notice that an emergency may occur, then Duke Energy Kentucky will attempt to call critical customers to alert them of the possibility of a power interruption. Due to the frequently sudden onset of an emergency and the time necessary to contact all critical customers, Duke Energy Kentucky may not be able to contact critical customers in advance of an emergency.

## III. Remedial Measures in the Event of Emergency

In case of an emergency, Duke Energy Kentucky will exercise the following series of load reduction measures to match the load with available generation. These measures are arranged in order of severity of the measures necessary to alleviate the emergency conditions presented. In the case of a sudden or unanticipated emergency, the urgency of the situation may require Duke Energy Kentucky to immediately implement the more severe measures.

### Pricing Signals and Special Contracts

Duke Energy Kentucky offers a variety of pricing signals using approved tariffs and special contracts to encourage customers to reduce their load when generation is in short supply. Participating customers may elect to voluntarily reduce their demand based on the terms of these tariffs and contracts.

### Internal Conservation

Duke Energy Kentucky will reduce its own energy consumption by instructing its employees to adjust thermostats, turn off lights and reduce other non-essential loads at Duke Energy Kentucky facilities.

### Voltage Reduction

Duke Energy Kentucky may reduce voltages. However, Duke Energy Kentucky will not reduce voltage more than 5% below normal allowable ranges.

### Public and Targeted Appeals for Voluntary Conservation

Duke Energy Kentucky will issue news releases to request customers to voluntarily conserve electricity, with suggestions on how to conserve. Duke Energy Kentucky will also contact large commercial and industrial customers (1000 kW or more) requesting them to conserve energy.

Depending on the nature of the emergency, Duke Energy Kentucky will issue additional news releases advising customers of a more critical need for voluntary conservation and also notifying customers that Duke Energy Kentucky may implement rotating blackouts if the emergency conditions are not alleviated. Duke Energy Kentucky will contact large commercial and industrial customers (1000 kW or more) requesting them to curtail all non-essential load.

### Automatic Reserve Sharing

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 21, 2006

Effective: ~~April 3, 2006~~ July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

---

Automatic Reserve Sharing is a standard method for utilities to aid an adjoining, interconnected utility whose power reserves are low by transmitting power through the interconnection points to raise the reserves of the affected utility. In time of emergency, Duke Energy Kentucky may utilize Automatic Reserve Sharing.

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: March 31, 2006 June 21, 2006

Effective: April 3, 2006 July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 5 of 7

### III. Remedial Measures in the Event of Emergency (Contd.)

#### Manual, Involuntary Load Curtailment

Duke Energy Kentucky may implement manual load curtailment, which is a controlled process of rotating customer outages during extreme emergencies. NERC policies may require manual curtailment when Duke Energy Kentucky experiences an emergency. NERC policies may also require manual curtailment when the reliability of the Eastern Interconnect is threatened by supply or transmission problems unrelated to conditions within Duke Energy Kentucky's transmission system.

#### Automatic Load Curtailment

Duke Energy Kentucky may implement automatic load curtailment, which is a process where under-frequency relays are used to shed load as soon as the relays detect problems based upon the system frequency. NERC policies may require automatic curtailment when Duke Energy Kentucky experiences an emergency or when the Eastern Interconnect is threatened by transmission system reliability problems unrelated to conditions affecting Duke Energy Kentucky's transmission system.

### IV. Curtailment Procedures

Involuntary load curtailment is generally accomplished via remote control of circuits that feed large individual customers and/or general distribution loads. Most general distribution circuits supply many customers including one or more essential customers. Duke Energy Kentucky will analyze circuits for curtailment eligibility based upon the ability to perform curtailment via remote control and upon the type of load the circuits serve. Duke Energy Kentucky will attempt to limit the number of essential customers affected by involuntary load curtailments; however, given the number of circuits within Duke Energy Kentucky's system and the number of customers served by Duke Energy Kentucky, it is likely that Duke Energy Kentucky will interrupt power to some essential customers if involuntary load curtailment procedures become necessary to alleviate emergency conditions. Duke Energy Kentucky will adjust manual involuntary curtailment schedules and attempt to provide advance notification to essential customers if involuntary load curtailment occurs.

Duke Energy Kentucky will advise the Commission of the nature, time and duration of all implemented emergency conditions and procedures which affect normal service to customers.

Duke Energy Kentucky may initiate the following actions, as it deems appropriate, in the event of an emergency where curtailment is imminent or necessary.

- (A) If Duke Energy Kentucky is unable to balance its generation and interchange schedules to its load after using all available resources, Duke Energy Kentucky may, at its discretion, declare an emergency Commonwealth to the NERC/ECAR Security Coordinator.
- (B) Duke Energy Kentucky may enter into power purchases to the extent that generation resources are reasonably available and transmission loading will allow.
- (C) Duke Energy Kentucky may use any or all of the remedial measures in section III, above.
- (D) If the transmission system frequency is above 59.8 Hz and Duke Energy Kentucky cannot reasonably balance resources to load, then Duke Energy Kentucky may curtail firm load to balance resources to load.
- (E) If the transmission system frequency is at or below 59.8 Hz, then Duke Energy Kentucky may curtail firm load to balance resources to load.

Issued by authority of the Kentucky Public Service Commission in accordance with ~~TFS2006-00440~~ dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 21, 2006

Effective: ~~April 3, 2006~~ July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

**IV. Curtailment Procedures (Contd.)**

(F) If the transmission system frequency is at or below 59.7 Hz, then Duke Energy Kentucky may curtail firm load to assist in maintaining regional system integrity.

Automatic under-frequency load shedding may occur in the event of a sudden decline of the frequency on the ECAR System or a sudden breakup that isolates all or parts of the Kentucky transmission system from other interconnected transmission systems. The under-frequency load shed may occur according to the following schedule, with each step shedding approximately an additional five percent of load as compared to the system load:

<u>Step</u>	<u>Freq-Hz</u>	<u>Approximate % Load Shed</u>
1	59.5	5.0
2	59.3	5.0
3	59.1	5.0
4	58.9	5.0
5	58.7	5.0

Under these circumstances, Duke Energy Kentucky will interrupt power of selected distribution circuits and lines serving customers throughout its assigned service area at Duke Energy Kentucky's sole discretion.

If automatic load shedding has occurred and frequency is still declining, Duke Energy Kentucky may take any additional actions that it deems reasonably necessary to arrest the decline. This may include additional load shedding and coordinated network separations.

If necessary to resynchronize the isolated area or to curtail the decline in frequency, Duke Energy Kentucky may take the following steps in the sequence set forth below:

- (A) Duke Energy Kentucky may, at its discretion, interrupt power to controlled service loads and to loads rendered service under interruptible tariffs.
- (B) Duke Energy Kentucky may reduce voltage up to five percent when deemed appropriate.
- (C) Duke Energy Kentucky may manually shed load.

Duke Energy Kentucky shall not be liable for power interruptions attributable to:

- (A) the availability of or malfunctions in generation or transmission facilities;
- (B) malfunctions in the local distribution system due to conditions beyond Duke Energy Kentucky's control, such as storms, floods, vandalism, strikes, fires, or accidents caused by third parties;
- (C) Duke Energy Kentucky following any applicable orders, policies, guidelines, directives or procedures issued by the Commission, governmental authorities, East Central Area Reliability Council (ECAR), National Electric Reliability Council (NERC), the Midwest ISO, or their successor organizations; provided that Duke Energy Kentucky makes reasonable efforts to restore service as soon as reasonably practicable.

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 21, 2006

Effective: ~~April 3, 2006~~ July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 7 of 7

---

**V. Transmission Emergency Rules**

~~Notwithstanding the above procedures, when Duke Energy Kentucky experiences on its transmission facilities an emergency or other event that necessitates the curtailment or interruption of service, Duke Energy Kentucky will not curtail or interrupt retail electric service within Duke Energy Kentucky's certified territory, except for service to those customers who have agreed to receive interruptible service, until after Duke Energy Kentucky has interrupted service to all other Duke Energy Kentucky customers whose interruption may relieve the emergency or other event.~~

(D)

Notwithstanding the foregoing, Duke Energy Kentucky may be liable for damages resulting from power interruptions attributable to its gross negligence or willful misconduct.

The provisions of these Emergency Electrical Procedures are subject to the provisions of Duke Energy Kentucky's Retail Electric Tariff, as then in effect and approved by the Commission, including but not limited to the provisions of Duke Energy Kentucky's General Terms And Conditions For Electric Service.

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~ June 21, 2006

Effective: ~~April 3, 2006~~ July 1, 2006

Issued by Sandra P. Meyer, President



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

Schedule L-2.2  
SUPPLEMENTAL  
Page 63 of 63  
Witness Responsible: J. R. Bailey  
KY.P.S.C. Electric No. 1  
Original Sheet No. 101  
Page 1 of 1

**RATE MDC**

**METER DATA CHARGES**

**APPLICABILITY**

This optional program applies to customers located in the Company's service territory that have meter pulse equipment and/or interval metering equipment and who elect to enroll in the En-Focus program.

**EN-FOCUS™**

Customers electing the En-Focus option will be required to enroll online, and will be required to accept the Terms and Conditions of the En-Focus program, presented to the customer at the time of enrollment.

Electronic monthly interval data with graphical capability  
accessed via the Internet (En-Focus™)

\$20.00 per month

**SERVICE REGULATIONS**

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

Issued by authority of an Order of the Kentucky Public Service Commission dated \_\_\_\_\_ in  
Case No. 2006-00172, accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006  
2006

Effective: April 3 July 1,

Issued by Sandra P. Meyer, President

ORIGINAL + 10 COPIES

L-1

EFFECTIVE  
DATE  
OF

7/11/06

Schedule L-1 SUPPLEMENTAL  
Page 1 of 60  
Witness Responsible: J. R. Bailey

RECEIVED

JUN 27 2006

PUBLIC SERVICE  
COMMISSION

**SCHEDULE OF RATES, CLASSIFICATIONS  
RULES AND REGULATIONS**

**FOR**

**ELECTRIC SERVICE**

**OF**

**DUKE ENERGY KENTUCKY**

**KY.P.S.C. NO. 1**

**This Tariff cancels and supersedes U.L.H.&P. Tariff KY.P.S.C. No. 4**

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 1 of 3

---

## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions thereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adequate and suitable, as to capacity and voltage, for the service desired; otherwise special agreements between Customer and Company may be required.

Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the Contrary, service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 2. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally. Such information must be confirmed in writing.

### 3. Continuity of Service.

The Company shall make reasonable provisions to supply satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity and shall not be liable for any damage or claim of damage attributable to any interruption or reversal of service caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 2 of 3

---

## SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)

### 4. Suspension of Service for Repairs and Changes.

When necessary to make repairs to or changes in Company's plant, generating equipment, transmission or distribution system, or other property, Company may without incurring any liability therefor, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

### 5. Use of Service.

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of remetering or reselling or otherwise disposing of service supplied Customer except as follows:

- (a) If on November 10, 1953, Customer was engaged in resale under a rate which permitted resale, the Company will continue to furnish electricity for resale at the same premises under the applicable effective rate schedule only on the condition that any charge made by Customer for service resold shall not exceed the charge determined in accordance with Company's applicable rate, as in effect from time to time, for like service, until and unless otherwise ordered by the Kentucky Public Service Commission.
- (b) Customer operating an automobile trailer camp, with consent of Company may install meters and resell electricity to individual trailers only on the same condition in respect to charges as stated in paragraph (a), above.

Customer will not build lines across or under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

No other electric light or power service, shall, except under a contract for auxiliary or supplementary service, be used by Customer on the same installation in conjunction with Company's service, either by means of a "Throwover" switch or any other connection.

---

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 3 of 3

---

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**6. Customer's Responsibility.**

Customer assumes all responsibility on Customer's side of the point of delivery (the end of the Company's service drop, or where Company's wires are joined to Customer's wires or apparatus) for the service supplied or taken, as well as for the electrical installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

**7. Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's lines or extensions thereof necessary or incidental to the supplying of service to Customer, or customers beyond Customer's property when such rights are limited to installations along dedicated streets and roads.

**8. Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

**9. Location of Customer's Service Terminals.**

Customer's service terminals are to be located at a point readily accessible to Company's service mains, such point to be determined by Company.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 22  
Page 1 of 1

---

### SECTION III - CUSTOMER'S INSTALLATIONS

#### 1. Nature and Use of Installation.

All wiring and other electrical equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

#### 2. Low Power Factor Equipment Installation.

In the case of neon lamps, mercury vapor lamps, and other gaseous tube lamps or devices, motors and other equipment having low power factors, served under the Company's standard rate schedules, not having Power Factor Correction Provision, the Customer will be required to provide at his own expense power factor corrective equipment designed to increase the power factor of any such lamps or devices, motors and other equipment to not less than .85.

When the power factor of any such equipment on the Customer's premises is less than .85, the following provision will apply:

- (a) When the billing demand is determined by estimate based on the connected load of the Customer's installation, the wattage of such equipment will be taken as the volt ampere input or rating of such equipment.
- (b) When the billing demand is measured by demand instruments, to the demand so established will be added the difference between the rating in watts of such equipment, and the input or rating of such equipment in volt amperes.

#### 3. Special Power Apparatus.

In the case of hoists, elevators, welding machines or other installations, where the use of electricity is intermittent or subject to violent fluctuations, Company reserves the right to use the input rating or the metered instantaneous demand of such equipment under maximum operating conditions, for billing purposes, or to require the Customer to provide at his own expense, suitable equipment to reasonably limit such intermittence or fluctuation.

#### 4. Changes in Installations.

As Company's service drops, transformers, meters, and other facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase. Any change affecting an estimated billing demand shall be rerated by Company's inspector and shall become effective from the succeeding meter reading.

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

Issued: March 31, 2006

Issued by Sandra P. Meyer, President

Effective: July 11, 2006

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 24  
Page 1 of 1

---

## SECTION V - METERING

### 1. **Installation of Meters.**

Electricity will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service drop, and upon the registration of said meter or meters all bills will be calculated. Company will install upon customer's premises but one meter or one unified set of meters of each standard service connection.

### 2. **Meter Tests.**

All meter tests shall be made in accordance with rules by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

### 3. **Monitoring of Customer Usage.**

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 1 of 3

---

## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading was taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, and bills are payable only at the Company's offices or authorized agencies for collection. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late payment charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President



Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 2 of 3

---

## SECTION VI - BILLING AND PAYMENT (Contd.)

### 3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge for Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

### 4. Temporary Discontinuance of Service.

If any customer on a residential rate, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided, however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge for Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

### 5. Selection of Rate Schedule.

When a prospective customer makes application for service, Company will, upon request, assist in the selection of the Rate Schedule most favorable to customer or the service requested. The selection will be based on the prospective customer's statement as to the class of service desired, the amount and manner of use, and any other pertinent information.

### 6. Change to Optional Rate Schedule.

A customer being billed under one of two or more optional Rate Schedules applicable to his class of service may elect to be billed on any other applicable Rate Schedule by notifying Company in writing, and Company will bill customer under such elected Schedule from and after the date of the next meter reading. However, a customer having made such a change of Rate Schedule may not make another such change within the next twelve months.

### 7. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 3 of 3

---

#### **SECTION VI - BILLING AND PAYMENT (Contd.)**

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

#### **8. Partial payment Plans.**

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

#### **9. Bill Format**

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 26  
Page 1 of 2

---

## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 26  
Page 2 of 2

---

**SECTION VII - DEPOSITS (Contd.)**

**2. All Calculated Deposits.**

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 27  
Page 1 of 1

---

## SECTION VIII - APPLICATION

### 1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made change therein, substitutions therefor or additions thereto.

### 2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application, rates terms, conditions, rules or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said commission.

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

---

Issued: March 31, 2006

Effective: July 11 2006

Issued by Sandra P. Meyer, President



Account Number 1212-1212-12-4 80 21

Due Date	Amount Due
mmm dd, yyyy	\$ 78.79

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 WinterCare Contribution Amount Enclosed  
 (for Customer Assistance)

Current Customer  
 12345 Your Street  
 Your City ST 12345-1234

PO Box 9001076  
 Louisville KY 40290-1076

200 00000078794 12121212124 mmmddyyyy2 00000080867

Name/Service Address	For Inquiries Call	Account Number
Current Customer 12345 Your Street Your City ST 12345-1234	Duke Energy 1-800-123-4567	1212-1212-12-4

Mail Payments To	Account Information
PO Box 9001076 Louisville KY 40290-1076	Payments after mmm dd not included Last payment received mmm dd Bill Prepared on mmm dd, yyyy Next meter reading mmm dd, yyyy

Urgent Messages are printed in this section of the bill with a box around the message text.

Meter	Number	Reading Date		Days	Meter Reading		Usage
		From	To		Previous	Present	
Gas	111111111	mmm dd	mmm dd	30	1975	1993	18
Elec	222222222	mmm dd	mmm dd	30	21202	21789	587

Gas - Residential	
Usage -	18 CCF
Duke Energy - Rate RS	\$ 33.20
<b>Current Gas Charges</b>	<b>\$ 33.20</b>
Gas Cost Recovery Chrg: x.xxxxxxxx/CCF	

Current Billing	
Balance - Previous Bill	\$ 100.87
Payment(s) Received	100.87 cr
<b>Balance Forward</b>	<b>0.00</b>
Current Gas Charges	\$ 33.20
Current Electric Charges	41.34
Taxes	4.25
<b>Current Amount Due</b>	<b>\$ 78.79</b>

Electric - Residential	
Usage -	587 kWh
Duke Energy - Rate RS	\$ 41.34
<b>Current Electric Charges</b>	<b>\$ 41.34</b>

Taxes	
Taxes	\$ 4.25

Printed on recycled paper and is recyclable.

Non-Urgent Bill Messages appear in this section of the bill

Due Date	Amount Due	After mmm dd, yyyy pay
mmm dd, yyyy	\$ 78.79	\$ 80.86



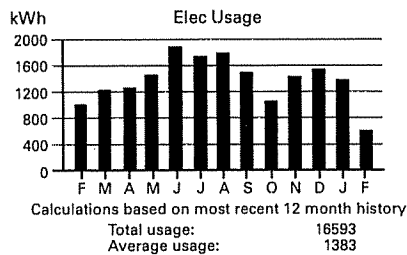
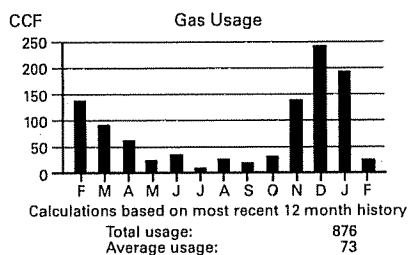


Name	Service Address	Account Number
Current Customer	12345 Your St Your City ST 12345-1234	1212-1212-12-4

Explanation of Current Charges		
<b>Gas</b> Meter # 11111111 CCF Usage - 18  mmm dd - mmm dd 30 Days	<b>Duke Energy</b> Rate RS - Residential Service  Customer Charge \$ xx.xx Gas Delivery Charge 18 CCF @ \$ x.xxxxxxx x.xx Gas DSM Rider 18 CCF @ \$ x.xxxxxxx x.xx Gas Cost Recovery 18 CCF @ \$ x.xxxxxxx xx.xx	\$ xx.xx         <b>Total Current Gas Charges</b> \$ xx.xx
<b>Electric</b> Meter # 22222222 kWh Usage 587  mmm dd - mmm dd 30 Days	<b>Duke Energy</b> Rate RS - Residential Svcs-xxxxxxx  Customer Charge \$ x.xx Energy Charge 587 kWh @ \$ x.xxxxxxx xx.xx Elec DSM Rider 587 kWh@ \$ x.xxxxxxx x.xx Elec Fuel Adjustment 587 kWh@ \$ x.xxxxxxx x.xx cr	\$ xx.xx         <b>Total Current Electric Charges</b> \$ xx.xx

Explanation of Taxes		
Taxes	Rate Incr for School Tax \$ x.xx	\$ x.xx
	<b>Total Taxes</b>	<b>\$ x.xx</b>

Printed on recycled paper and is recyclable.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Gas	143	87	58	24	38	7	27	17	29	142	238	191	18
Electric	1025	1209	1211	1478	1855	1689	1698	1528	1035	1376	1575	1352	587



**Bill Payment Made Easy**

**e-Bill** - View and pay your bill for free at [www.duke-energy.com](http://www.duke-energy.com)  
**BillPayer 2000®** - Automatically pay from your checking account for 30¢/transaction - enroll at 1-800-991-7771  
**Speedpay®** - Pay by phone at 1-877-596-5068 with credit card or check for \$3.95/transaction

**EXPLANATION OF ESTIMATED CHARGES**

Meters are scheduled to be read monthly. Regular meter readings are essential for accurate billing. When we are unable to read a meter, the usage is estimated based on previous bills. An estimated read will be considered the same as an actual read.

**PAYMENT OF BILLS**

In order to avoid paying a late charge, please mail your payment to Duke Energy several days before the due date. Or, if you prefer, you may pay by phone through Speedpay, pay online with e-Bill, or pay automatically through BillPayer 2000®. Payments can also be made at a Duke Energy office or Pay Station location. For more information about our bill payment options, please visit us at [www.duke-energy.com](http://www.duke-energy.com) or call 1-800-544-6900.

Disconnection of your utility service(s) will not result from failure to pay any non-tariffed or non-regulated products or services.

**LATE PAYMENT CHARGE INFORMATION**

You can avoid a late payment charge if you pay your current month's charges plus at least \$5.00 on any past due balance. However your payment must be received in a Duke Energy office by the DUE DATE shown on your current bill.

Please note, any unpaid past due balance remains subject to collection efforts, including possible disconnection of services.

**EXPLANATION OF BILL LANGUAGE  
 (The following terms will not appear on every bill)**

BBP Cycle	Period of time used to calculate the current Budget Billing monthly installment amount.
CCF	Gas usage, measured in hundreds of cubic feet.
CR	Credited amount.
Current Gas Charges	Total of all charges based on gas usage during the current billing period.
Customer Charge	Charge for administrative costs, including meter reading, billing, and collecting. The Customer Charge for each service includes 10 cents for an energy assistance program approved by the Public Service Commission.

Elec. Rate	Code that identifies the rate used to determine the Electric Usage Charge.
EST or E	Estimated Meter Read.
Gas Rate	Code that identifies the rate used to determine the Gas Usage Charge.
kWh	Electric usage measured in Kilowatt-hours.
Late Payment	Additional charge added to the bill if Amount To Pay is not received in full by the due date.
Meter Multiplier	Constant number that the meter reading usage is multiplied by to obtain the energy usage.
Usage	Amount of energy used during the billing period.

**GAS COST INFORMATION**

The GAS COST ADJUSTMENT (GCA) rate is the cost (per 100 cubic feet) of gas we purchase from our suppliers. This rate varies periodically as gas prices to us increase or decrease. Duke Energy makes no profit on this charge since it is based on the actual cost we pay our suppliers for the gas we purchase and resell. The GCA amount is included in your total bill as an addition to the Gas Usage Charge, which covers our normal operating expenses for delivering gas to you.

**ELECTRIC COST INFORMATION**

The ELECTRIC FUEL ADJUSTMENT (EFA) rate is the increase or decrease (since determination of the Base Period Fuel Cost) in the cost of fuel purchased from our supplier and used to generate electricity. The EFA rate is computed monthly according to a formula established by the Kentucky Public Service Commission. Duke Energy makes no profit on the EFA since it is based on the actual cost of fuel used to generate electricity. The amount of the EFA is included in your total bill.

**BILLING OR SERVICE INQUIRIES**

If you have a question about your bill or service, call us at (513) 421-9500, or from a toll free area call 1-800-544-6900. You may also write to our Customer Services Department at P.O. Box 960, Mail Drop 309C, Cincinnati, OH 45201, contact us by fax at (513) 287-2376, or e-mail us at [www.duke-energy.com](http://www.duke-energy.com). Rate schedules and service regulations are available upon request.

**BUSINESS HOURS**

**OFFICE HOURS:**  
 Cincinnati - 8:00 a.m. - 5:00 p.m. Monday - Friday  
 Newport - 8:00 a.m. - 5:00 p.m. Monday - Friday

**SERVICE EMERGENCY NUMBERS**

Gas Trouble - (513) 651-4466 OR 1-800-634-4300  
 Electric Trouble - (513) 651-4182 OR 1-800-543-5599



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

Ky.P.S.C. Electric No. 1  
Original Sheet No. 63  
Page 1 of 2

---

**RATE OL-E  
OUTDOOR LIGHTING EQUIPMENT INSTALLATION**

**APPLICABILITY**

Applicable for the installation of any street or outdoor area lighting system (System) on private or public property and owned by the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service for the System under this tariff shall require a written agreement between the Customer and the Company. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's Installations and Section IV, Company's Installations.

A separate written agreement is required for the electrical energy consumed by this lighting system.

**CONTRACT FOR SERVICE**

The Customer will enter into an Outdoor Lighting Equipment Agreement, herein 'Agreement', with the Company for an initial term not to exceed ten years and automatically renewable annually thereafter. Termination by either party shall require 120 days advance written notice. The Agreement shall specify the lighting equipment to be installed and owned by the Company, the term of the agreement, itemized monthly charges for the equipment, maintenance terms, and any other necessary information.

The initial Agreement will include two specific monthly charges: a monthly System Charge based on the Company's cost of purchasing and installing the System (Installed Cost), and a monthly Maintenance Charge. The monthly System Charge will end with the expiration of the initial Agreement term while the monthly Maintenance Charge will continue for the life of the System. When the Agreement is terminated by Customer request before initial term expiration, the Customer must reimburse the Company the sum of all remaining monthly System Charges for the initial term of the Agreement, minus salvage value as determined by the Company.

The System Charge is determined by applying the current Levelized Fixed Charge Rate (LFCR), to the Company's cost of purchasing and installing the System. The Customer agrees to the resulting monthly charge that is dependent on the initial term length of the Agreement. The initial term length is the Customer's choice up to and including ten years. The Customer may make an up-front payment that will be applied against the Installed Cost and will thereby reduce the monthly System Charge.

The monthly Maintenance Charge covers estimated equipment maintenance costs as specified in the Agreement, including the ongoing costs of ownership such as administration, taxes and insurance. The Agreement allows for re-evaluation and possible adjustment to the maintenance monthly charges every three years.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

Ky.P.S.C. Electric No. 1  
Original Sheet No. 63  
Page 2 of 2

---

### LEVELIZED FIXED CHARGE CALCULATION

The annual Levelized Fixed Charge Rate percentage is calculated as follows:

$$\text{LFCR} = r + d + \left( \frac{T}{1-T} \right) \times (r + d - D) \times \left( \frac{r - i}{r} \right)$$

Where r = Rate of Return (Cost of Capital)  
D = Depreciation Rate (straight line)  
T = Federal and State Composite Income Tax Rate  
i = Synchronized Interest Deduction  
d = Sinking Fund Factor

### LATE PAYMENT CHARGE

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

### OWNERSHIP OF SERVICE LINES

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

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

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

### SERVICE REGULATIONS

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 71  
Page 1 of 1

---

**RIDER TS**  
**TEMPORARY SERVICE**

**APPLICABILITY**

Applicable to electric service of a temporary nature, where the standard residential or general service rates are effective for the application of this rider, for a period of less than one year and non-recurring, supplied in accordance with provisions of the appropriate rate currently in effect.

**TYPE OF SERVICE**

Service will be in accordance with the specifications of the standard applicable rate.

**CHARGES**

In addition to charges for service furnished under the applicable standard rate the customer will pay in advance the following charge:

Estimated unit cost of each service with supporting data to be filed with the Commission and updated annually by the utility.

**TERM OF SERVICE**

Temporary service hereunder will be rendered for a period not longer than six calendar months from the date of installation, provided however, the Company may, at its option, renew said temporary connection for an additional period of three months if required by the temporary need. At the expiration of said initial period or any renewal thereof, the Company may discontinue the service from the premise.

**SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 72  
Page 1 of 1

---

## RIDER X

### LINE EXTENSION POLICY

#### APPLICABILITY

Applicable to electric service supplied in accordance with the provisions of the appropriate rate currently in effect, from the nearest available distribution lines of required type of service when it is necessary to extend such lines.

#### EXTENSION PLAN

##### Extensions

When the estimated cost of extending the distribution lines to reach the customer's premise equals or is less than three (3) times the estimated gross annual revenue the Company will make the extension without additional guarantee by the customer over that applicable in the rate, provided the customer establishes credit in a manner satisfactory to the Company.

When the estimated cost of extending the distribution lines to reach the customer's premise exceeds three (3) times the estimated gross annual revenue, the customer may be required to guarantee, for a period of five (5) years, a monthly bill of one (1) percent of the line extension cost for residential service and two (2) percent for non-residential service.

When the term of service or credit have not been established in a manner satisfactory to the Company, the customer may be required to advance the estimated cost of the line extension in either of the above situations. When such advance is made the Company will refund, at the end of each year, for four (4) years, twenty-five (25) percent of the revenues received in any one year up to twenty-five (25) percent of the advance.

#### SERVICE REGULATIONS

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 73  
Page 1 of 2

---

## RIDER LM

### LOAD MANAGEMENT RIDER

#### APPLICABILITY

The Off Peak Provision is applicable to customers with an average monthly demand in excess of fifteen (15) kilowatts established over the most recent twelve month period receiving service under the provisions of either Rate DS, Service at Secondary Distribution Voltage, or Rate DP, Service at Primary Distribution Voltage.

#### OFF PEAK PROVISION

The "off peak period" for the summer season is defined as the period from 8:00 p.m. of one day to 11:00 a.m. of the following day; Friday from 8:00 p.m. to 11:00 a.m. of the following Monday; and from 8:00 p.m. of the day preceding a legal holiday to 11:00 a.m. of the day following that holiday. The "off peak period" for the winter season is defined as the period 2:00 p.m. to 5:00 p.m. and from 9:00 p.m. of one day to 9:00 a.m. of the following day; Friday from 9:00 p.m. to 9:00 a.m. of the following Monday; and from 9:00 p.m. of the day preceding a legal holiday to 9:00 a.m. of the day following that holiday. The following are recognized legal holidays as far as load conditions of the Company's system are concerned: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day. If the foregoing holidays occur on a Sunday, the following Monday is considered a holiday.

The "on peak period" is defined as all hours exclusive of the "off peak period" hours set forth in the preceding paragraph.

- I. For customers with an average monthly demand in excess of fifteen (15) kilowatts and not to exceed five hundred (500) kilowatts where electric service is furnished under the provisions of the Company's existing Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage.
  - A. For purposes of administration of this rider, the summer season, as stated above, is the period beginning June 1 and ending September 30. The winter season consists of all other days which have not been recognized in the summer season.
  - B. This provision is only available as Company demand meters with a programmable time-of-use register are installed on the customer's premise. Due to the limited availability of such metering equipment and Company personnel, a demand meter will be installed as metering equipment and Company personnel are available.
  - C. The customer will be required to pay the current installed cost of the time-of-use metering equipment in excess of the current installed cost of the standard demand register equipment, normally installed by the Company, which is required under the provision of Rate DS. All metering equipment shall remain the property of the Company which shall be responsible for its installation, operation, maintenance, testing, replacement or removal.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 73  
Page 2 of 2

---

**OFF PEAK PROVISION (Contd.)**

- D. When a customer elects the OFF PEAK PROVISION, the monthly customer charge of the applicable Rate DS will be increased by an additional monthly charge of five dollars (\$5.00) for each installed time-of-use meter. In addition, the DEMAND provision of Rate DS shall be modified to the extent that the billing demand shall be based upon the "on peak period," as defined above.
  
- II. For customers who meet the Company's criteria for the installation of a magnetic tape recording device for billing, and where electric service is furnished under the provisions of either Rate DS, Service at Secondary Distribution Voltage, or Rate DP, Service at Primary Distribution Voltage.
  - A. For purposes of administration of this rider, the summer season, as stated above, is the period beginning with the meter reading date in the month of May and ending with the meter reading date in the month of September or the period beginning June 1 and ending September 30, at the Company's option. The winter season consists of all other days which have not been recognized in the summer season.
  - B. The "off peak period" billing demand will be taken at fifty (50) percent of the highest fifteen minute demand established during the "off peak period," as defined above.
  - C. When a customer elects this OFF PEAK PROVISION, the applicable monthly customer charge of Rate DS or Rate DP will be increased by an additional monthly charge of one hundred dollars (\$100.00).

The DEMAND provision of the applicable Rate DS or Rate DP shall be modified to the extent that the billing demand shall be based upon the "on peak period," as defined above. However, in no case shall the billing demand be less than the "off peak period" billing demand or the billing demand as determined in accordance with the DEMAND provision of the applicable Rate DS or Rate DP, as modified.

**TERMS AND CONDITIONS**

The term of contract for the Off Peak Provision shall be a minimum period of one (1) year.

The Company shall not be required to increase the capacity of any service facilities in order to furnish off peak demands. The Company reserves the right, upon 30 days notice to customers affected, to change the time or times during which on peak demands may be established.

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

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 1 of 4

---

## RIDER DSM

### DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

#### APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class).

#### CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per kilowatt-hour of monthly consumption and, where applicable, a rate per kilowatt of monthly billing demand, in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided capacity and energy costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected kilowatt-hour sales for the upcoming twelve-month period. The cost of approved programs assigned or allocated to the non-residential class shall be allocated as either demand-related or energy-related based on the respective percentage of avoided capacity cost or avoided energy cost to the total avoided cost estimated in the determination of the net resource savings for the program. For purposes of this tariff, net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The demand-related program costs thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PC. The associated energy-related program costs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PC for such rate class.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 2 of 4

---

**LR = LOST REVENUE FROM LOST SALES RECOVERY.** Revenues from lost sales due to DSM programs will be recovered through the decoupling of revenues from actual sales of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at 0.0175; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated kilowatt-hour sales for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of kilowatt-hour sales and, where applicable, the kilowatt-months of billing demand that will be lost for each twelve-month period as a result of the implementation of the approved programs times the energy charge for the applicable rate schedule, less the variable cost included in the charge, and the demand charges, respectively; and, 2) dividing that product by the expected kilowatt-hour sales or expected billing demand in kilowatt-months for the upcoming twelve-month period. The lost revenue attributable to decreased sales to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased kilowatt-hour energy sales and billing demand in kilowatt-months. Recovery of revenues from lost sales calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 3 of 4

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be allocated as either demand-related or energy-related in the same manner as program costs are allocated as demand- or energy related. The demand-related PI amount thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PI. Similarly, the energy-related incentive amount thus determined shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous application of the BA and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

**BA = DSM BALANCE ADJUSTMENT (Cont.d)**

For the non-residential class, balance adjustment amounts will be separated into both demand and energy-related components. The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the demand-related balance adjustment amounts, plus interest, shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related BA, while the total of the energy-related balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky's electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

**DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

**SERVICE REGULATIONS**

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

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
First Revised Sheet No. 78  
Cancels and Supersedes  
Original Sheet No. 78  
Page 1 of 1

---

**RIDER DSMR**  
**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills beginning with the May 2006 revenue month is \$0.001080 per kilowatt-hour.

Beginning with the February 2006 revenue month, an Energy Assistance Program (EAP) charge of \$0.10 will be applied monthly to residential customer bills through December 2006. The Company may, with prior Commission approval, extend this program through 2007.

The DSMR to be applied to non-residential service customer bills beginning with the May 2006 revenue month for distribution service is \$0.000012 per kilowatt-hour, and \$0.000000 per kilowatt-hour for transmission service.

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

---

Issued: April 27, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
First Revised Sheet No. 81  
Canceling and Superseding  
Original Sheet No. 81  
Page 1 of 1

---

## RIDER MSR-E

### MERGER SAVINGS CREDIT RIDER – ELECTRIC

#### APPLICABILITY

Applicable to all retail sales in the Company electric service area excluding Interdepartmental sales.

#### MERGER SAVINGS CREDIT RIDER FACTORS

The applicable energy charges for electric service shall be decreased monthly by the amounts stated below to reflect the sharing of the merger savings, net of merger costs, per the merger savings sharing plan approved by the Commission in Case No. 2005-00228. This Rider shall take effect at the start of the first billing cycle which occurs 30 or more days following merger closing. This Rider shall remain in effect for 60 months or until the effective date of new rates established by the Company's next electric base rate case provided such date is later than January 1, 2008.

<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	0.000988
Rate DS, Service at Secondary Distribution Voltage	0.000223
Rate DP, Service at Primary Distribution Voltage	0.000223
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.000223
Rate EH, Optional Rate for Electric Space Heating	0.000223
Rate GS-FL, General Service Rate for Small Fixed Loads	0.000223
Rate SP, Seasonal Sports Service	0.000223
Rate SL, Street Lighting Service	0.000483
Rate TL, Traffic Lighting Service	0.000483
Rate UOLS, Unmetered Outdoor Lighting	0.000483
Rate OL, Outdoor Lighting Service	0.000483
Rate NSU, Street Lighting Service for Non-Standard Units	0.000483
Rate NSP, Private Outdoor Lighting Service for Non-Standard Units	0.000483
Rate SC, Street Lighting Service – Customer Owned	0.000483
Rate SE, Street Lighting Service – Overhead Equivalent	0.000483
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.000011
Other	0.000264

#### SERVICE REGULATIONS

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

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

---

Issued: May 1, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C: Electric No. 1  
Original Sheet No. 82  
Page 1 of 2

---

## **RIDER PSM**

### **OFF-SYSTEM SALES PROFIT SHARING MECHANISM**

#### **APPLICABILITY**

Applicable to all retail sales in the Company electric service area excluding Interdepartmental sales for the billing months of May, 2006 through December, 2006.

#### **PROFIT SHARING RIDER FACTORS**

The applicable energy charges for electric service shall be decreased monthly by the stated amounts below to reflect the sharing of the off-system sales profits, per the Agreed Stipulation approved by the Commission in Case No. 2005-00228. This Rider shall become effective within 30 days after the consummation of the merger and shall remain in effect through the completion of billing for the December 2006 revenue month. At such time the terms of this Rider shall expire and the profit sharing mechanism shall revert to the terms approved in the Commission's December 5, 2003 Order in case No. 2003-00252.

Under this sharing mechanism and for calendar year 2006 only, the off-system sales profits shall be shared and allocated as follows: the first \$1.45 million in off-system sales profits shall be allocated to customers; the next \$400,000 of off-system sales profits shall be allocated to ULH&P; and any additional off-system sales profits shall be allocated 50 / 50% between ULH&P and customers. In no event shall the amount of the off-system sales profits allocated to customers be less than \$1.45 million for 2006.

The off-system sales profits applicable to customers shall be allocated to customer class based on the proportion of operation and maintenance expense in the cost of service study (excluding fuel, purchased power and gas commodity expense) approved in ULH&P's most recent electric base rate case. ULH&P will account for such off-system sales profits beginning January 1, 2006 through December 31, 2006, and will credit customers for such profits beginning with the first billing cycle which begins 30 days or more following merger closing. ULH&P will project and credit customers for profits for December 2006, and will perform a true-up for such amounts in January 2007.

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

---

Issued: April 27, 2006

Issued by Sandra P. Meyer, President

Effective: July 11, 2006

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 82  
Page 2 of 2

---

<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	0.001127
Rate DS, Service at Secondary Distribution Voltage	0.000250
Rate DP, Service at Primary Distribution Voltage	0.000186
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.000157
Rate EH, Optional Rate for Electric Space Heating	0.000898
Rate GS-FL, General Service Rate for Small Fixed Loads	0.000135
Rate SP, Seasonal Sports Service	0.000377
Rate SL, Street Lighting Service	0.000542
Rate TL, Traffic Lighting Service	0.000542
Rate UOLS, Unmetered Outdoor Lighting	0.000542
Rate OL, Outdoor Lighting Service	0.000542
Rate NSU, Street Lighting Service for Non-Standard Units	0.000542
Rate NSP, Private Outdoor Lighting Service for Non-Standard Units	0.000542
Rate SC, Street Lighting Service – Customer Owned	0.000542
Rate SE, Street Lighting Service – Overhead Equivalent	0.000542
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.000028
Other	0.000250

#### **SERVICE REGULATIONS**

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

---

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

Issued: April 27, 2006

Issued by Sandra P. Meyer, President

Effective: July 11, 2006

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 85  
Page 1 of 1

---

## RIDER BR

### BROWNFIELD REDEVELOPMENT RIDER

#### AVAILABILITY

Available to customers locating in a qualified "brownfield" redevelopment area as defined by Kentucky or federal law and served by existing primary service lines. Customers qualifying for service under this rider must enter into a Service Agreement and special contract with the Company. In order to receive service under this rider the special contract must be approved by the Kentucky Public Service Commission.

#### NET MONTHLY BILLING

The customer shall comply with all terms of the standard tariff rate under which the customer takes service except as contravened by the following.

- For the first 12 month period, the demand charge shall be reduced by 50 percent;
- For the second 12 month period, the demand charge shall be reduced by 40 percent;
- For the third 12 month period, the demand charge shall be reduced by 30 percent;
- For the fourth 12 month period, the demand charge shall be reduced by 20 percent;
- For the fifth 12 month period, the demand charge shall be reduced by 10 percent.

All subsequent billings shall be at the appropriate full standard service tariff rate.

#### TERMS AND CONDITIONS

The customer shall enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served and monthly minimum levels of demand and usage.

The Special Contract shall be in effect for a minimum term of eight (8) years and the customer shall be billed monthly based on the greater of: (a) its actual monthly demand and usage levels; or (b) the minimum monthly demand and usage levels specified in its Service Agreement and Special Contract.

The terms of this rider do not preclude the Company from offering different terms under a special contract if the Company deems it appropriate. The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 1 of 3

---

## RIDER DIR

### DEVELOPMENT INCENTIVE RIDER

#### GENERAL

Under the terms of this Rider, qualifying customers are required to enter into a Special Contract with the Company which Special Contract shall be subject to approval by the Kentucky Public Service Commission. The Development Incentive Rider consists of two separate programs designed to encourage development and/or redevelopment within the Company's service territory. These two programs are the Economic Development Program and the Urban Redevelopment Program. Each of these programs is described below.

#### PROGRAM DESCRIPTIONS

##### **Economic Development (ED) Program**

Available, at the Company's option, to non-residential customers receiving service under the provisions of one of the Company's non-residential tariff schedules. The ED Program is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under the ED Program of this Rider and the Company approves such application. The new load applicable under the ED Program must be a minimum of 1,000 kW at one delivery point. To qualify for service under the ED Program, the customer must meet the qualifications as set forth below. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under the ED Program. Where the customer is new to the Company's service area or is an existing customer expanding:

- 1) the Company would expect the customer employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees per 1,000 kW of new load. Employment additions must occur following the Company's approval for service under this Rider, and;
- 2) the Company would expect that the customer's new load would result in capital investment of one million dollars (\$1,000,000) per 1,000 kW of new load, provided that such investment is accompanied by a net increase in FTE employees employed by the customer in the Company's service area. This capital investment must occur following the Company's approval for service under this Rider.

The Company may also consider applying the ED Program to an existing customer who, but for economic incentives being provided by the State and/or local government or public agency, would leave the Company's service area. In this event, the customer must agree, at a minimum, to retain the current number of FTE employees.

The ED Program is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into a Special Contract for service under the ED Program, the successor customer may be allowed to fulfill the balance of the Special Contract under the ED Program. The ED Program is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. The ED Program is not available for load shifted from one customer to another within the Company's service area.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President



Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 2 of 3

---

#### **PROGRAM DESCRIPTIONS (Contd.)**

##### **Urban Redevelopment (UR) Program**

Applicable to new customers locating in an existing building of 25,000 square feet or more, which has been unoccupied and/or remained dormant for a period of two years or more, as determined by the Company. The new customer load must be a minimum of 500 kW at one delivery point. In addition, the requested service necessary to serve the new load must not result in additional investment in distribution or transmission facilities by the Company, excepting that minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed.

The UR Program is not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. The UR Program is also not available for load shifted from one establishment to another in the Company's service area. However, if a change of ownership occurs after the customer enters into a Special Contract under the UR Program, the successor customer may be allowed to fulfill the balance of the Special Contract under the UR Program.

#### **NET MONTHLY BILLING**

The customer shall comply with all terms of the standard tariff rate under which the customer takes service except that the customer's total bill for electric service, less any rate adjustment rider amounts as shown on the standard service tariff, shall be reduced by up to fifty (50) percent for a period of twelve (12) months. The customer will pay the full amount of the riders so indicated. The customer may request an effective date of the Rider which is no later than twelve (12) months after the Special Contract is approved and signed by the Company. All subsequent billings shall be at the appropriate full standard service tariff rate.

#### **TERMS AND CONDITIONS**

The Service Agreement shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification under this Rider. The customer must affirm that the availability of this Rider was a factor in the customer's decision to locate the new load or retain current load in the Company's service area.

For customers entering into a Service Agreement under this Rider due to expansion, the Company may install, at customer's expense, metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

Following the effective date of the Special Contract, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average load factor of 40 percent. Failure to do so will result in the customer being billed a minimum bill based on the minimum demand specified in the Service Agreement and a monthly average load factor of 40 percent.

The customer shall continue to take service from the Company at the same or greater demand and usage levels for a period of at least two (2) years following the twelve (12) month incentive period. The customer shall be billed monthly for two (2) years following the twelve (12) month incentive period based on the greater of: (a) its actual monthly demand and usage levels; or (b) its average demand and usage levels during the twelve (12) month incentive period.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 3 of 3

---

**TERMS AND CONDITIONS (Contd.)**

The terms of this rider do not prevent the Company from offering different terms under a special contract if the Company deems it appropriate. The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 90  
Page 1 of 1

---

## **BAD CHECK CHARGE**

### **APPLICABILITY**

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

### **CHARGE**

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

### **SERVICE REGULATIONS**

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

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 1 of 6

---

## **RATE CATV**

### **RATE FOR POLE ATTACHMENTS OF CABLE TELEVISION SYSTEMS**

#### **APPLICABILITY**

Applicable to the attachment of cable television systems to any pole of the Company by a person (attachee) who makes application on an appropriate Company form with submission of information and documents specified herein and in the application.

#### **ATTACHMENT CHARGES**

The following annual rental shall be charged for the use of each of the Company's poles:

\$4.60 for a two-user pole.

\$4.00 for a three-user pole.

A two-user pole is a pole being used, either by actual occupation or by reservation, by the attachee and the Company. A three-user pole is a pole being used, either by actual occupation or by reservation, by the attachee, the Company and a third party.

#### **PAYMENT**

Attachee shall pay to the Company for all authorized attachments an annual rental, as set forth above, for the use of each of the Company's pole, any portion of which is occupied by, or reserved at attachee's request for the attachments of attachee, at any time during the initial rental year. The first annual payment of rental for the previous rental year shall be due and payable on the first anniversary date of attachee's application. Subsequent payments of annual rental shall be due and payable on each succeeding anniversary date thereof.

As newly authorized attachments are made after the initial rental year, rentals for such attachments shall be paid for the entire year if made within the six month period after any anniversary date, and for on-half year if made during the following six month period. For any attachments removed by attachee and for which the Company shall have received written notice from attachee, the yearly rental shall be prorated to the date of removal.

All fees, charges and rentals provided for herein not paid when due and payable shall bear interest at the maximum rate permitted by law from the date when due, until paid.

#### **TERMS AND CONDITIONS**

1. Prior to the signing of the application, attachee shall send the Company all manufacturers' technical manuals and information, and construction standards and manuals regarding the equipment attachee proposes to use pursuant to the provisions contained herein and such other information as requested by the Company.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 2 of 6

---

**TERMS AND CONDITIONS (Contd.)**

2. After the Company has received a signed application from attachee and before any attachment is made by attachee, it shall make a written request for permission to install attachments on any pole of the Company, specifying the location of each pole in question, the character of its proposed attachments and the amount and location of space desired. Within 30 days after receipt of such application, the Company shall notify attachee in writing whether or not is is willing to permit the attachments and, if so, under what conditions. If such permission is granted, attachee shall have the right to occupy the space allotted by the Company under the conditions specified in such permit and in accordance with the terms contained herein but Company shall not be required to set a pole for the sole use by attachee. Company will not deny attachee the right to attach to a pole, if space is or can be made available.
3. All attachments are to be placed on poles of the Company in a manner satisfactory to the Company and so as not to interfere with the present or any future use which the Company may desire to make of such poles, wires or other facilities. All attachments shall be installed and maintained by attachee so as to comply at least with the minimum requirements of the National Electrical Safety Code and any other applicable regulations or codes promulgated by federal, state, local or other governmental authority having jurisdiction. Attachee shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of attachee's attachments on the Company's poles. The Company shall be the sole judge as to the requirements for the present or future use of its poles and equipment and of any interference therewith.
4. In any case where it is necessary for the Company to replace a pole because of the necessity of providing adequate space or strength to accommodate the attachments of attachee thereon, either at the request of attachee or to comply with the above codes and regulations, the attachee shall pay the Company the total cost of this replacement. Such cost shall be the total estimated cost of the new pole including material, labor, and applicable overheads, plus the cost of transferring existing electric facilities to the new pole, plus the cost of removal of the existing pole and any other incremental cost required to provide for the attachments of the attachee, including any applicable taxes the Company may be required to pay because of this change in plant, minus salvage value of any poles removed.

Attachee shall also pay to the Company and other owners thereof the cost of removing all existing attachments from the existing pole and re-establishing the same or like attachments on the newly installed pole. The new pole shall be the property of the Company regardless of any payments by attachee towards its cost and attachee shall acquire no right, title or interest in such pole.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 3 of 6

---

**TERMS AND CONDITIONS (Contd.)**

5. If attachee's proposed attachments can be accommodated on existing poles of the Company by rearranging facilities of the company and of other attachees or permittees thereon, such rearrangement shall be made by the Company and such other attachees or permittees, and attachee shall on demand reimburse the Company and such other attachees or permittees for any expense incurred by them in transferring or rearranging such facilities. Any additional guying required by reason of the attachments of attachee shall be made by attachee at its expense, and to the satisfaction of the Company.
6. Whenever the Company discovers any unauthorized attachments of attachee, attachee shall pay to the Company an amount equal to twice the rental that would have been due had the installation been made the day after the Company's last inspection. The payment of these charges shall not relieve attachee of any responsibility, obligation imposed by law or assumed herein.
7. Whenever the Company notifies attachee in writing that the attachments of attachee interfere with the operation of facilities of the Company or other attachees or permittees, or constitute a hazard to the service rendered by the Company or other attachees or permittees, or fail to comply with codes or regulations above-mentioned, or are substandard in any way, attachee shall within 10 days after the date of such notice, remove, rearrange, or change its attachments as directed by the Company. In case of emergency, the Company reserves the right to remove or relocate the attachments of attachee at attachee's expense and without notice.
8. Attachee agrees to indemnify and save harmless Company from and against any and all liability, loss, damage, costs, attorney fees, or expense, of whatsoever nature or character, arising out of or occasioned by any claims or any suit for damages, injunction or other relief, on account of injury to or death of any person, or damage to any property including the loss of use thereof, or on account of interruption of attachee's service to its subscribers or others, or for public charges and penalties for failure to comply with federal, state or local laws or regulations, growing out of or in connection with any actual or alleged negligent act or omission, whether said negligence is sole, joint or concurrent, of attachee or its servants, agents or subcontractors, whether or not due in part to any act, omission or negligence of Company or any of its representatives or employees. Company may require attachee to defend any suits concerning the foregoing, whether such suits are justified or not.
9. Attachee agrees to obtain and maintain at all times during the period attachee has attachments on Company's poles, policies of insurance or bonds in lieu thereof providing an equivalent protection as follows:
  - (a) Public liability and automobile liability insurance for itself in an amount not less than \$500,000.00 for bodily injury to or death of any one person, and, subject to the same limit for any one person, in an aggregate amount not less than \$1,000,000.00 for any one occurrence.
  - (b) Property damage liability insurance for itself in an amount not less than \$500,000.00 for any one occurrence.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 4 of 6

---

**TERMS AND CONDITIONS (Contd.)**

- (c) Contractual liability insurance in the amounts set forth in (a) and (b) above, to cover the liability assumed by the attachee under the agreements of indemnity set forth herein.
10. Prior to making attachments to the Company's poles, attachee shall furnish to the Company two copies of a certificate or bond, from an insurance carrier or bond company acceptable to the Company, stating the policies of insurance or bond have been issued by it to attachee providing for the insurance or indemnity listed above and that such policies or bonds are in force. Such certificate shall state that the insurance carrier or bond company will give the Company 30 days prior written notice of any cancellation of or material change in such policies or bonds. The certificate or bond shall also quote in full the agreements of indemnity set forth herein as evidence of the type of contractual liability coverage furnished. If such certificate or bond recites that it is subject to any exceptions or exclusions, such exceptions or exclusions shall be stated in full in such certificate or bond, and the Company may, at its discretion, require attachee, before starting work, to obtain policies of insurance or bonds which are not subject to any exceptions or exclusions which the Company finds objectionable.
  11. The Company reserves the right, without liability to attachee or its subscribers, to discontinue the use of, remove, replace or change the location of any or all of the Company's poles, attachments or facilities regardless of any occupancy of the Company's poles by attachee, and attachee shall at its sole cost after written notice by the Company, make such changes in, including removal or transfer of, its attachments as shall be required by such action of the Company. Attachee shall make such changes within 10 days after written notice when such movement is to the same or another pole of Company and within 30 days when Company plans to abandon a pole and no other pole is available or planned to be installed by Company. If attachee fails to make such changes within the required time period after written notice by the Company or in case of an emergency, the Company reserves the right to make such changes to the attachments of attachee at attachee's expense and without notice, and no liability therefor shall be incurred by the Company, unless Company is solely negligent, because of such action for any consequential damages, including but not limited to loss of service to customers of attachee. Company may not require that attachee remove attachments for the sole reason to make room for Company on an existing pole.
  12. Attachee may at any time abandon the use of a jointly used pole hereunder by removing therefrom all of its attachments and by giving written notice thereof to the Company.
  13. Attachee shall secure any right, license or permit from any governmental body, authority, or other person or persons which may be required for the construction or maintenance of attachments of attachee, at its expense. The Company does not guarantee any easements, rights-of-way or franchises for the construction and maintenance of such attachments. Attachee hereby agrees to indemnify and save harmless the Company from any and all claims, including the expenses incurred by the Company to defend itself against such claims, resulting from or arising out of the failure of attachee to secure such right, license, permit or easement for the construction or maintenance of such attachments on the Company's poles.

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 5 of 6

---

**TERMS AND CONDITIONS (Contd.)**

14. Electric service for cable television power supplies of attachee shall be supplied from the lines of the Company in the manner specified by the Company.
15. The Company shall have the right, from time to time while any poles are being used by attachee, to grant, by contract or otherwise, to others, rights or privileges to use any poles being used by attachee, and the Company shall have the right to continue and extend any such rights or privileges heretofore granted. The attachment privileges granted hereunder to an attachee shall at all times be subject to all previously granted rights pursuant to agreements between Company and others covering poles in joint use but shall not be subject to subsequently granted rights.
16. Attachee shall furnish bond, as specified by the Company, to guarantee the performance of the obligations assumed by attachee under the terms herein contained not otherwise covered by the insurance required by paragraph 9. Such bond shall be submitted to the Company prior to attachee's making attachments to the Company's poles. The amount of the bond may be reduced after the construction phase has been completed, and after attachee has proven to be a reliable utility customer. Allowance of such reduction shall not be unreasonably denied.
17. In case one party is obligated to perform certain work at its own expense and the parties mutually agree in writing that it is desirable for the other party to do such work, then such other party shall promptly do the work at the sole expense of the party originally obligated to perform the same. Bills for expense so incurred shall be due and payable within 30 days after presentation.
18. If attachee fails to comply with any of the provisions herein contained or defaults in the performance of any of its obligations herein contained and fails within 60 days after written notice from the Company to correct such default or non-compliance, the Company may, at its option, forthwith terminate the specific permit or permits covering the poles and attachee's attachments to which such default or non-compliance is applicable and any or all other permits of attachee, and remove attachments of attachee at attachee's expense, and no liability therefor shall be incurred by the Company because of such action except damages to facilities caused by the sole negligence of Company.
19. The area covered by the application will be set forth on a map, attached to, and made a part of the application. Such area may be extended or otherwise modified by a supplemental agreement mutually agreed upon and signed by the attachee and the Company with a new map attached thereto showing the changed area to be thereafter covered by the application. Such supplement shall be effective as of the date of final execution thereof and shall be attached to all executed copies of the application.
20. If attachee does not exercise the rights granted herein within six months from the date of the application, the application shall be void.

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 6 of 6

---

**TERMS AND CONDITIONS (Contd.)**

21. The provisions herein shall be binding upon and inure to the benefit of the parties thereto, their respective successors and/or assigns, but attachee shall not assign, transfer or sublet any of the rights hereby granted or obligations hereby assumed without the prior written consent of the Company.

**SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 95  
Page 1 of 1

---

## **LOCAL FRANCHISE FEE**

### **APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of electricity to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to by the Company.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 1 of 3

---

## RATE UDP-R

### UNDERGROUND RESIDENTIAL DISTRIBUTION POLICY

#### APPLICABILITY

Applicable to the electric service of: 1. single family houses in increments of ten (10) or more contiguous lots with a maximum lot width of one hundred twenty (120) feet; or 2. multi-family dwellings in buildings containing five (5) or more individually metered family units. Rate UDP-R is available throughout the service area of the Company in those situations where the Company extends its distribution lines using pad-mounted transformers to serve new developments.

#### CHARGES

The following charges will be assessed:

1. Single Family Houses.

- A. \$2.15 per front foot for all primary extensions. Primary extension on private property will be charged \$2.15 per linear trench foot; and
- B. An additional \$2.00 per linear trench foot shall be charged where extremely rocky conditions are encountered, such conditions being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more which cannot be removed using ordinary excavation equipment.

2. Multi-Family Units.

There shall be no charge except where extremely rocky conditions are encountered, then the \$2.00 per linear trench foot, as stated and defined above, shall be charged.

#### GENERAL CONDITIONS

1. Others shall, in accordance with the specification of the Company and local inspection authority, furnish, install, own and maintain the customer services. The Company shall connect the customer service cable to its distribution system and provide and install pull-boxes, if necessary.
2. The Developer shall furnish and install all conduit and crossovers required by the Company, including all areas where paving is installed prior to the installation of the Company's distribution facilities, and be responsible for installing and maintaining these crossovers in accordance with the Company's specifications and location plans until the underground electric line is completed. A Company inspector must approve all crossovers before the trenches are backfilled; and the Developer shall stake each end of every crossover with a stake marked "ELEC." The Company shall determine where conduit and crossovers are required.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 2 of 3

---

**GENERAL CONDITIONS (Contd.)**

3. The Developer shall complete and be responsible for maintaining final grade within the right-of-way and the street until the street has been dedicated and accepted by the local government.
4. The Company shall determine the route of all Company-owned underground electric line extensions. Such facilities must be located so as to accessible at all times for switching and maintenance.
5. The point at which the underground distribution system begins shall be determined by the Company and the overhead primary extension to this point may be installed as open-wire conductors.
6. The Company shall determine equipment locations and such facilities must be accessible from adequate driveways, protected from mechanical hazards and placed so as to maintain proper clearance from building openings.
7. The Company shall determine the number of customers to be served from each transformer or pull-box, where meters shall be located and how they shall be grouped.
8. The Developer, at the Company's option, may be required to pay to the Company a deposit on the contracted charges when the agreement is executed. The Developer shall pay to the Company the balance due under said agreement at the Company's preconstruction meeting, at which time the work performed by the Company is scheduled.
9. The Developer shall furnish to the Company the required number of plat drawings approved by governmental authorities having jurisdiction, and any revisions of such plats, which shall indicate the location of all proposed driveways, parking areas, building openings and sewer, water, gas and telephone facilities.
10. The Developer shall stake all required lot corners or control points along the cable route as specified by the Company.
11. The Developer shall complete final grade of distribution line route before construction work is started and be responsible for maintaining same during construction. The Company shall permit a maximum cut of six inches for sidewalk and driveways after their facilities have been installed. No fill will be permitted after the Company's facilities have been installed except by written permission from the Company. If it is necessary to change the grade of the Company's facilities due to changes by the Developer, all costs of the change shall be borne by the Developer.
12. The underground construction area shall be clear of all other construction forces and, after the underground construction has begun, it shall not be interrupted by other construction forces.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 3 of 3

---

**GENERAL CONDITIONS (Contd.)**

13. The Developer shall enter into a written agreement with the Company. This agreement and an attached plan shall constitute written notice when Developer has signed said agreement and the ENDORSEMENT attached to said plat, accepting the location of underground electric facilities as shown thereon. Any additional engineering required or extra construction costs required by the Company shall be borne by the Developer.
14. The Developer shall grant to the Company, on its applicable forms, all rights-of-way which in the opinion of the Company are necessary or desirable for such extensions.
15. Should the Developer request additional facilities, different routing or termination points, or changes in the facilities planned or installed, the Developer shall pay the total estimated cost to the Company for such additional facilities or changes.
16. The Developer shall also pay the cost of any repairs or replacement to the distribution system resulting from the negligent act of acts of the Developer, his agents, workmen, contractors or tenants.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 1 of 3

---

## RATE UDP-G

### GENERAL UNDERGROUND DISTRIBUTION POLICY

#### APPLICABILITY

Applicable to electric service of: 1. single family houses or multi-family dwellings that do not qualify under the Applicability of the Underground Residential Distribution Policy; 2. commercial and industrial customers; or 3. special situations. Rate UDP-G is available throughout the service area of the Company in those situations where the Company extends its distribution lines to serve new developments not covered by the Underground Residential Distribution Policy.

#### CHARGES

The charges shall be the difference between the Company's estimated cost to provide an underground system and the Company's estimated cost to provide an overhead system. In addition to the differential charge, the following provisions are applicable:

1. Single Family Houses or Multi-Family Units.

The customer may be required to provide the necessary trenching, backfilling, conduit system (if required) and transformer pads in place to Company's specifications.

2. Commercial and Industrial Units.

The customer shall:

- a) Provide the necessary trenching and backfilling;
- b) Furnish, install (concrete, if required), own and maintain all primary and/or secondary conduit system (with spares, if required) on private property meeting applicable codes and Company's specifications; and
- c) Provide the transformer pad and secondary conductors.

3. Special Situations

In those situations where the Company considers the pad-mounted transformer installations unsuitable, the customer shall provide the vault designed to meet National Electric Code, other applicable codes, and Company specifications, the conduit to the vault area and the secondary cable to the transformer terminals. The Company shall provide the transformers, the primary vault wiring and make the secondary connection to the transformer terminals.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 2 of 3

---

#### **CHARGES (Cont'd.)**

In large multiple cable installations, the customer shall provide the cable, provide and install the step bus mounted in the vault, and make necessary cable connections to the step bus to the Company's specifications. The Company shall provide and install connections from the transformer terminals to the step bus.

The customer shall extend the bus duct into the vault to the Company's specifications. The Company shall provide and install connections from the transformer terminals to the bus duct.

#### **GENERAL CONDITIONS**

1. Other shall, in accordance with the specifications of the Company and local inspection authority, furnish, install, own and maintain the customer services. The Company shall connect the customer service to its distribution system and provide and install pull boxes, if necessary.
2. The customer shall furnish and install all conduit systems required by the Company, and be responsible for maintaining the conduit system in accordance with the Company's specifications and location plans until the underground electric line is completed. A Company inspector must approve all conduit systems before the trenches are backfilled; and the customer shall stake each end of every crossover with a stake marked "ELEC." The Company shall determine where conduit systems are required.
3. The customer shall complete and be responsible for maintaining final grade within the right-of-way and the street until the street has been dedicated and accepted by the local government.
4. The Company shall determine the route of all Company-owned underground electric line extensions. Such facilities must be located so as to be accessible at all times for switching and maintenance.
5. The point at which the underground distribution system begins shall be determined by the Company and the overhead primary extension to this point may be installed as open-wire conductors.
6. The Company shall determine equipment locations and such facilities must be accessible from adequate driveways, protected from mechanical hazards and placed so as to maintain proper clearance from building openings.
7. The Company shall determine the number of customer to be served from each transformer or pull-boxes, where meters shall be located and how they shall be grouped.
8. The customer, at the Company's option, may be required to pay to the Company a deposit on the contracted charges when the agreement is executed. Upon completion of construction of the underground electric facilities, the customer shall pay to the Company the balance due under said agreement.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 3 of 3

---

**GENERAL CONDITIONS (Cont'd.)**

9. The customer shall furnish to the Company the required number of plat drawings approved by governmental authorities having jurisdiction, and any revisions of such plats, which shall indicate the location of all proposed driveways, parking areas, building openings and sewer, water, gas, telephone and CATV facilities.
10. The customer shall stake all required lot corners or control points along the cable route as specified by the Company.
11. The customer shall complete final grade of distribution line route before construction work is started and be responsible for maintaining same during construction. The Company shall permit a maximum cut of six inches for sidewalk and driveways after their facilities have been installed. No fill will be permitted after the Company's facilities have been installed except by written permission from the Company. If it is necessary to change the grade of the Company's facilities due to changes by the customer, all costs of the change shall be borne by the customer.
12. The underground construction area shall be clear of all other construction forces and, after the underground construction has begun, it shall not be interrupted by other construction forces.
13. The customer shall enter into a written agreement with the Company. This agreement and an attached plat shall constitute written notice when customer has signed said agreement and/or the ENDORSEMENT attached to said plat, accepting the location of underground electric facilities as shown thereon. Any additional engineering required or extra construction costs required of the Company shall be borne by the customer.
14. The customer shall grant to the Company, on its applicable forms, all rights-of-way which in the opinion of the Company are necessary or desirable for such extensions.
15. Should the customer request additional facilities, different routing or termination points, or changes in the facilities planned or installed, the customer shall pay the total estimated cost to the Company for such additional facilities or changes.
16. The customer shall also pay the cost of any repairs or replacement to the distribution system resulting from the negligent act or acts of the customer, his agents, workmen, contractors or tenants.
17. The customer will not be required to pay the differential in cost between a pad-mounted and pole-mounted transformer.

---

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

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 1 of 5

---

**ELECTRICITY EMERGENCY PROCEDURES**  
**FOR**  
**LONG-TERM FUEL SHORTAGES**

**APPLICABILITY**

In the event of an energy emergency which necessitates curtailment of electricity consumption, Duke Energy Kentucky and consumers of electric energy supplied by the Company shall take actions set forth herein, except where the Kentucky Public Service Commission (Commission) or other authority having jurisdiction in the matter orders otherwise.

**PROCEDURES**

Electricity emergency procedures may be necessary if there is a shortage in the electric energy supply to meet the requirements of consumers of electric energy in the service area of the Company. The procedures set forth the actions to be taken by the Company and consumers of electric energy in the event of a long-term fuel shortage for electric generation jeopardizing electric service to the Company's customers.

**I. DEFINITIONS**

For purposes of this procedure, the Company has adopted the following definitions:

- A. "electricity priority uses" shall mean the amount of electrical energy necessary for protection of the public's health and safety, and for the prevention of unnecessary or avoidable damage to property at:
1. Residences (homes, apartments, nursing homes, institutions, and facilities for permanent residents or transients);
  2. Hospitals;
  3. Medical and human life support systems and facilities;
  4. Electric power generating facilities and central heating plants serving the public;
  5. Telephone, radio, television, and newspaper facilities;
  6. Local and suburban transit systems and air terminal facilities;
  7. Police and fire fighting facilities;

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 2 of 5

---

**DEFINITIONS (Contd.)**

8. Water supply and pumping facilities;
  9. Sanitary service facilities for collection, treatment, or disposal of community sewage;
  10. Federal facilities essential to national defense or energy supply;
  11. Production facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuel, and for fuel refineries;
  12. Pipeline transmission and distribution facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuels;
  13. Coal mines and related facilities;
  14. Production, processing, distribution, and storage facilities for dairy products, meat, fish, poultry, eggs, produce, crackers, bread, and livestock and poultry feed;
  15. Buildings and facilities limited to uses protecting the physical plant and structure, appurtenances, product inventories, raw materials, livestock, and other personal or real property; and
  16. Such other similar uses as may be determined by the Kentucky Public Service Commission (hereinafter "Commission").
- B. "non-priority uses" shall mean all uses of electricity other than priority uses.
- C. "consumer" shall mean that person or entity who consumes electric energy from the Company.
- D. "normal burn days" shall mean the number of days of coal supply available for operation of the generating facilities of the Company's supplier, Duke Energy Ohio.
- E. "normal usage" shall mean electric energy consumption by a consumer during the comparable period during the previous year adjusted for weather or other major changes in usage.

The Company encourages consumers who have electric priority uses to implement the actions required herein to the extent reasonably possible. Consumers who have electric priority uses or have critical equipment or processes should consider the installation of emergency generation equipment if continuity of service is essential.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 3 of 5

---

## II. LONG-TERM FUEL SHORTAGE

- A. Upon the commencement of a coal miners' strike, officially declared or otherwise, or other happening which could cause a long-term fuel shortage, the Company shall curtail non-essential use of energy on premises controlled by the Company including parking and large area lighting and interior lighting except lighting required for security and safety, and other uses of energy both during and outside normal business hours.
- B. Voluntary Curtailment:
1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to forty (40) days, the Company shall request voluntary conservation by all consumers of at least 25% of all non-priority use of electric.
  2. The Company shall implement a public appeals campaign through the news media to its consumers making appropriate suggestions for achieving usage reductions. These reductions should include but not be limited to the following:
    - (a) Reduce outdoor lighting;
    - (b) Reduce general interior lighting levels to minimum levels to the extent this contributes to decreased electricity usage;
    - (c) Reduce show window and display lighting to minimum levels to protect property;
    - (d) Reduce the number of elevators operating in office buildings during non-peak hours;
    - (e) Reduce electric water heating temperature to minimum level.
    - (f) Minimize work schedules for building cleaning and maintenance, restocking, etc., in order to eliminate the necessity for office or commercial and industrial facilities to be open beyond normal working hours;
    - (g) Minimize electricity use by maintaining a building temperature of no less than 78 degrees Fahrenheit by operation of cooling equipment and no more than 68 degrees Fahrenheit by operation of heating equipment;
    - (h) Encourage, to the extent possible, daytime scheduling of entertainment and recreational facilities.
  3. The Company, through the issuing of periodic bulletins to the news media, shall inform the general public of:

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 4 of 5

---

**II. LONG-TERM FUEL SHORTAGE (Contd.)**

- (a) The coal supply level of its supplier, at least weekly;
- (b) The actions which will be required of consumers if it becomes necessary to initiate mandatory curtailment of electric energy and the procedures to be followed prior to and during the period electric usage is restricted.

**C. Mandatory Curtailment - Stage One:**

- 1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to thirty (30) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All non-priority outdoor lighting is prohibited;
  - (c) All public, commercial, and industrial buildings shall minimize electricity use by maintaining a building temperature of no less than 85 degrees Fahrenheit by the operation of cooling equipment and no more than 60 degrees Fahrenheit by the operation of heating equipment, except where health requirements or equipment protection deem such measures to be inappropriate;
  - (d) All public, commercial, and industrial buildings shall reduce interior lighting to the minimum levels essential for continued work and operations to the extent this contributes to decreased use of electric energy.

**D. Mandatory Curtailment - Stage Two:**

- 1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty-five (25) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All consumers shall discontinue non-priority use of electricity on two days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 25% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage one levels during other days of the week.

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 5 of 5

---

## II. LONG-TERM FUEL SHORTAGE (Contd.)

### E. Mandatory Curtailment - Stage Three:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty (20) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All consumers shall discontinue non-priority use of electricity on three days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 50% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage two levels during other days of the week.

### F. Mandatory Curtailment - Stage Four:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to fifteen (15) days, all consumers shall discontinue all non-priority use of electricity on all days of each week.

## III. The Company shall take such measures in connection with its facilities as are necessary and reasonable for the implementation of these procedures.

Where the integrity of the Company's electric system is in jeopardy, the Company may take additional measures it deems appropriate, such as voltage reduction up to 5% and interruption of selected distribution circuits on a rational basis.

## IV. PENALTIES

Failure of a consumer to comply with the Company's mandatory curtailment stages may subject that consumer's electric service to disconnection by the Company. Where the Company discovers that a consumer has exceeded its directed usage limitation by more than 15% in a thirty (30) day period, the Company shall notify the Commission that, on the third working day after said discovery, it shall disconnect electric service to such consumer until the fuel supply emergency is relieved.

---

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 1 of 7

## EMERGENCY ELECTRIC PROCEDURES

### APPLICABILITY

In the event of an energy emergency which necessitates curtailment of electric service, Duke Energy Kentucky may curtail electrical service to its customers in the manner set forth herein, either at its sole discretion, or under applicable policies, guidelines, directives or procedures issued by the East Central Area Reliability Council (ECAR), National Electric Reliability Council (NERC), the Midwest Independent Transmission System Operator, Inc. (Midwest ISO), or their successor organizations, or when required by the Kentucky Public Service Commission (Commission).

### PROCEDURES

#### I. General Rules Applicable to Energy Emergency

Emergency electrical procedures may be necessary in the event of electric supply shortages, transmission constraints, or other emergency conditions in the assigned service area of Duke Energy Kentucky and/or outside the assigned service area of Duke Energy Kentucky.

An emergency means an anticipated or existing shortage in the supply of or constraint in the transmission or distribution of electrical energy, which cannot be avoided by market purchases of energy or transmission capacity and which has or may adversely affect the operation or reliability of generating or transmission and distribution facilities.

In the event of an emergency, Duke Energy Kentucky may take any remedial measure that it deems reasonably necessary to alleviate the emergency condition or that may be required either by the Commission or under applicable policies, guidelines, directives or procedures issued by ECAR (including the then current revision of ECAR Document No. 3, Emergency Operations), NERC, the Midwest ISO, or their successor organizations, or Duke Energy Kentucky's emergency plan. During an emergency, Duke Energy Kentucky will follow the procedures set forth herein with regard to essential customers as defined in section II, below. Duke Energy Kentucky will take the remedial measures to alleviate the emergency conditions as set forth in section III, below.

#### II. Essential Customers

Essential customers are defined as follows:

- (A) hospitals and emergency care facilities, which shall be limited to those facilities providing medical care and performing in-patient surgery on patients;
- (B) federal, Commonwealth and county prisons and detention institutions;
- (C) police and fire stations, Kentucky national guard facilities, military bases, and federal facilities essential to the national defense;
- (D) "critical customers," which means any customer or consumer on a medical or life support system for whom an interruption of service would be immediately life threatening and who is enrolled in Duke Energy Kentucky's program for critical customers;
- (E) radio and television stations used to transmit emergency messages and public information broadcasts relating to emergencies;

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 2 of 7

---

## II. Essential Customers (Contd.)

- (F) water pumping plants essential to the supply of potable water to a community;
- (G) sewage plants essential to the collection, treatment or disposal of a community's sewage;
- (H) emergency management and response facilities and the county-wide "911" system;
- (I) nursing homes;
- (J) central office telephone switching stations; and
- (K) blood banks.

Duke Energy Kentucky does not guarantee a continuous and uninterrupted flow of power to any customer. Power interruptions may occur due to many causes other than the emergency procedures set forth herein. Further, essential customers should expect that their power may be interrupted in the event of an emergency due to the nature of the emergency and the normal configuration of electric supply systems.

Essential customers are responsible for anticipating the possibility that power may be interrupted and for developing contingency plans if continuity of service is essential. Such contingency plans may include installing on-site backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location.

Duke Energy Kentucky will make reasonable efforts to maintain service to essential customers during an emergency and will attempt to minimize the time period of any interruption, when practical. Duke Energy Kentucky may, however, curtail power to essential customers during an emergency. Duke Energy Kentucky will attempt to identify essential customers and maintain a list of these customers for its load curtailment plans. Duke Energy Kentucky will verify and update this list annually and review its curtailment rotation schedules in an attempt to minimize the number of essential customers affected by curtailment.

Residential customers may request to participate in Duke Energy Kentucky's program for critical customers. Residential customers requesting to participate in this program must initially obtain a Medical Certificate from a licensed physician as to the need for and use of life support equipment in their household and must submit the certificate to Duke Energy Kentucky along with their request to enroll in the program.

Upon enrollment in the program, Duke Energy Kentucky will notify the customer in writing of the customer's options and responsibilities during an interruption, such as the need for backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location. Duke Energy Kentucky will also notify these customers that it cannot guarantee a continuous and uninterrupted flow of power. Duke Energy Kentucky will annually verify the customers' eligibility to continue to participate in the program.

Any non-residential customer may apply to be considered an essential customer, provided they must notify Duke Energy Kentucky in writing of this request and provide the specific reasons why they should be considered an essential customer. Duke Energy Kentucky will respond in writing within ten days of receipt of the request informing the customer whether, in Duke Energy Kentucky's sole discretion, they will be classified as a non-residential essential customer. Non-residential essential customers are also encouraged to develop contingency plans for use during an emergency, such as

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 3 of 7

the need for backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location.

## II. Essential Customers (Contd.)

Essential customers should prepare to implement their contingency plans any time that Duke Energy Kentucky makes a public appeal for voluntary conservation, due to the possibility that Duke Energy Kentucky may experience an emergency during such time that Duke Energy Kentucky makes public appeals for voluntary conservation.

If Duke Energy Kentucky has adequate advance notice that an emergency may occur, then Duke Energy Kentucky will attempt to call critical customers to alert them of the possibility of a power interruption. Due to the frequently sudden onset of an emergency and the time necessary to contact all critical customers, Duke Energy Kentucky may not be able to contact critical customers in advance of an emergency.

## III. Remedial Measures in the Event of Emergency

In case of an emergency, Duke Energy Kentucky will exercise the following series of load reduction measures to match the load with available generation. These measures are arranged in order of severity of the measures necessary to alleviate the emergency conditions presented. In the case of a sudden or unanticipated emergency, the urgency of the situation may require Duke Energy Kentucky to immediately implement the more severe measures.

### Pricing Signals and Special Contracts

Duke Energy Kentucky offers a variety of pricing signals using approved tariffs and special contracts to encourage customers to reduce their load when generation is in short supply. Participating customers may elect to voluntarily reduce their demand based on the terms of these tariffs and contracts.

### Internal Conservation

Duke Energy Kentucky will reduce its own energy consumption by instructing its employees to adjust thermostats, turn off lights and reduce other non-essential loads at Duke Energy Kentucky facilities.

### Voltage Reduction

Duke Energy Kentucky may reduce voltages. However, Duke Energy Kentucky will not reduce voltage more than 5% below normal allowable ranges.

### Public and Targeted Appeals for Voluntary Conservation

Duke Energy Kentucky will issue news releases to request customers to voluntarily conserve electricity, with suggestions on how to conserve. Duke Energy Kentucky will also contact large commercial and industrial customers (1000 kW or more) requesting them to conserve energy.

Depending on the nature of the emergency, Duke Energy Kentucky will issue additional news releases advising customers of a more critical need for voluntary conservation and also notifying customers that Duke Energy Kentucky may implement rotating blackouts if the emergency conditions are not alleviated. Duke Energy Kentucky will contact large commercial and industrial customers (1000 kW or more) requesting them to curtail all non-essential load.

### Automatic Reserve Sharing

Automatic Reserve Sharing is a standard method for utilities to aid an adjoining, interconnected utility whose power reserves are low by transmitting power through the interconnection points to raise the

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.  
Issued: June 21, 2006 Effective: July 11, 2006

Issued by Sandra P. Meyer, President



Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 4 of 7

---

reserves of the affected utility. In time of emergency, Duke Energy Kentucky may utilize Automatic Reserve Sharing.

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 5 of 7

### III. Remedial Measures in the Event of Emergency (Contd.)

#### Manual, Involuntary Load Curtailment

Duke Energy Kentucky may implement manual load curtailment, which is a controlled process of rotating customer outages during extreme emergencies. NERC policies may require manual curtailment when Duke Energy Kentucky experiences an emergency. NERC policies may also require manual curtailment when the reliability of the Eastern Interconnect is threatened by supply or transmission problems unrelated to conditions within Duke Energy Kentucky's transmission system.

#### Automatic Load Curtailment

Duke Energy Kentucky may implement automatic load curtailment, which is a process where under-frequency relays are used to shed load as soon as the relays detect problems based upon the system frequency. NERC policies may require automatic curtailment when Duke Energy Kentucky experiences an emergency or when the Eastern Interconnect is threatened by transmission system reliability problems unrelated to conditions affecting Duke Energy Kentucky's transmission system.

### IV. Curtailment Procedures

Involuntary load curtailment is generally accomplished via remote control of circuits that feed large individual customers and/or general distribution loads. Most general distribution circuits supply many customers including one or more essential customers. Duke Energy Kentucky will analyze circuits for curtailment eligibility based upon the ability to perform curtailment via remote control and upon the type of load the circuits serve. Duke Energy Kentucky will attempt to limit the number of essential customers affected by involuntary load curtailments; however, given the number of circuits within Duke Energy Kentucky's system and the number of customers served by Duke Energy Kentucky, it is likely that Duke Energy Kentucky will interrupt power to some essential customers if involuntary load curtailment procedures become necessary to alleviate emergency conditions. Duke Energy Kentucky will adjust manual involuntary curtailment schedules and attempt to provide advance notification to essential customers if involuntary load curtailment occurs.

Duke Energy Kentucky will advise the Commission of the nature, time and duration of all implemented emergency conditions and procedures which affect normal service to customers.

Duke Energy Kentucky may initiate the following actions, as it deems appropriate, in the event of an emergency where curtailment is imminent or necessary.

- (A) If Duke Energy Kentucky is unable to balance its generation and interchange schedules to its load after using all available resources, Duke Energy Kentucky may, at its discretion, declare an emergency Commonwealth to the NERC/ECAR Security Coordinator.
- (B) Duke Energy Kentucky may enter into power purchases to the extent that generation resources are reasonably available and transmission loading will allow.
- (C) Duke Energy Kentucky may use any or all of the remedial measures in section III, above.
- (D) If the transmission system frequency is above 59.8 Hz and Duke Energy Kentucky cannot reasonably balance resources to load, then Duke Energy Kentucky may curtail firm load to balance resources to load.
- (E) If the transmission system frequency is at or below 59.8 Hz, then Duke Energy Kentucky may curtail firm load to balance resources to load.

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.  
Issued: June 21, 2006 Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 6 of 7

**IV. Curtailment Procedures (Contd.)**

(F) If the transmission system frequency is at or below 59.7 Hz, then Duke Energy Kentucky may curtail firm load to assist in maintaining regional system integrity.

Automatic under-frequency load shedding may occur in the event of a sudden decline of the frequency on the ECAR System or a sudden breakup that isolates all or parts of the Kentucky transmission system from other interconnected transmission systems. The under-frequency load shed may occur according to the following schedule, with each step shedding approximately an additional five percent of load as compared to the system load:

<u>Step</u>	<u>Freq-Hz</u>	<u>Approximate % Load Shed</u>
1	59.5	5.0
2	59.3	5.0
3	59.1	5.0
4	58.9	5.0
5	58.7	5.0

Under these circumstances, Duke Energy Kentucky will interrupt power of selected distribution circuits and lines serving customers throughout its assigned service area at Duke Energy Kentucky's sole discretion.

If automatic load shedding has occurred and frequency is still declining, Duke Energy Kentucky may take any additional actions that it deems reasonably necessary to arrest the decline. This may include additional load shedding and coordinated network separations.

If necessary to resynchronize the isolated area or to curtail the decline in frequency, Duke Energy Kentucky may take the following steps in the sequence set forth below:

- (A) Duke Energy Kentucky may, at its discretion, interrupt power to controlled service loads and to loads rendered service under interruptible tariffs.
- (B) Duke Energy Kentucky may reduce voltage up to five percent when deemed appropriate.
- (C) Duke Energy Kentucky may manually shed load.

Duke Energy Kentucky shall not be liable for power interruptions attributable to:

- (A) the availability of or malfunctions in generation or transmission facilities;
- (B) malfunctions in the local distribution system due to conditions beyond Duke Energy Kentucky's control, such as storms, floods, vandalism, strikes, fires, or accidents caused by third parties;
- (C) Duke Energy Kentucky following any applicable orders, policies, guidelines, directives or procedures issued by the Commission, governmental authorities, East Central Area Reliability Council (ECAR), National Electric Reliability Council (NERC), the Midwest ISO, or their successor organizations; provided that Duke Energy Kentucky makes reasonable efforts to restore service as soon as reasonably practicable.

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.  
Issued: June 21, 2006 Effective: July 11, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 7 of 7

(D)

Notwithstanding the foregoing, Duke Energy Kentucky may be liable for damages resulting from power interruptions attributable to its gross negligence or willful misconduct.

The provisions of these Emergency Electrical Procedures are subject to the provisions of Duke Energy Kentucky's Retail Electric Tariff, as then in effect and approved by the Commission, including but not limited to the provisions of Duke Energy Kentucky's General Terms And Conditions For Electric Service.

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 101  
Page 1 of 1

---

**RATE MDC**  
**METER DATA CHARGES**

**APPLICABILITY**

This optional program applies to customers located in the Company's service territory that have meter pulse equipment and/or interval metering equipment and who elect to enroll in the En-Focus program.

**EN-FOCUS™**

Customers electing the En-Focus option will be required to enroll online, and will be required to accept the Terms and Conditions of the En-Focus program, presented to the customer at the time of enrollment.

Electronic monthly interval data with graphical capability  
accessed via the Internet (En-Focus™)

\$20.00 per month

**SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 11, 2006

Issued by Sandra P. Meyer, President

ORIGINAL + 10 COPIES

Schedule L-1 SUPPLEMENTAL  
Page 1 of 60  
Witness Responsible: J. R. Bailey

L-1

EFFECTIVE

DATE

OF

7/1/06

RECEIVED

JUN 21 2006

PUBLIC SERVICE  
COMMISSION

**SCHEDULE OF RATES, CLASSIFICATIONS  
RULES AND REGULATIONS**

**FOR**

**ELECTRIC SERVICE**

**OF**

**DUKE ENERGY KENTUCKY**

**KY.P.S.C. NO. 1**

**This Tariff cancels and supersedes U.L.H.&P. Tariff KY.P.S.C. No. 4**

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 1 of 3

---

## SECTION II - SUPPLYING AND TAKING OF SERVICE

### 1. **Supplying of Service.**

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions thereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adequate and suitable, as to capacity and voltage, for the service desired; otherwise special agreements between Customer and Company may be required.

Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the Contrary, service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

### 2. **Information Relative to Service.**

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally. Such information must be confirmed in writing.

### 3. **Continuity of Service.**

The Company shall make reasonable provisions to supply satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity and shall not be liable for any damage or claim of damage attributable to any interruption or reversal of service caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 2 of 3

---

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**4. Suspension of Service for Repairs and Changes.**

When necessary to make repairs to or changes in Company's plant, generating equipment, transmission or distribution system, or other property, Company may without incurring any liability therefor, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

**5. Use of Service.**

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of remetering or reselling or otherwise disposing of service supplied Customer except as follows:

- (a) If on November 10, 1953, Customer was engaged in resale under a rate which permitted resale, the Company will continue to furnish electricity for resale at the same premises under the applicable effective rate schedule only on the condition that any charge made by Customer for service resold shall not exceed the charge determined in accordance with Company's applicable rate, as in effect from time to time, for like service, until and unless otherwise ordered by the Kentucky Public Service Commission.
- (b) Customer operating an automobile trailer camp, with consent of Company may install meters and resell electricity to individual trailers only on the same condition in respect to charges as stated in paragraph (a), above.

Customer will not build lines across or under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

No other electric light or power service, shall, except under a contract for auxiliary or supplementary service, be used by Customer on the same installation in conjunction with Company's service, either by means of a "Throwover" switch or any other connection.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 21  
Page 3 of 3

---

**SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)**

**6. Customer's Responsibility.**

Customer assumes all responsibility on Customer's side of the point of delivery (the end of the Company's service drop, or where Company's wires are joined to Customer's wires or apparatus) for the service supplied or taken, as well as for the electrical installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

**7. Right-of-Way.**

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's lines or extensions thereof necessary or incidental to the supplying of service to Customer, or customers beyond Customer's property when such rights are limited to installations along dedicated streets and roads.

**8. Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

**9. Location of Customer's Service Terminals.**

Customer's service terminals are to be located at a point readily accessible to Company's service mains, such point to be determined by Company.

---

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 22  
Page 1 of 1

---

### SECTION III - CUSTOMER'S INSTALLATIONS

#### 1. Nature and Use of Installation.

All wiring and other electrical equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

#### 2. Low Power Factor Equipment Installation.

In the case of neon lamps, mercury vapor lamps, and other gaseous tube lamps or devices, motors and other equipment having low power factors, served under the Company's standard rate schedules, not having Power Factor Correction Provision, the Customer will be required to provide at his own expense power factor corrective equipment designed to increase the power factor of any such lamps or devices, motors and other equipment to not less than .85.

When the power factor of any such equipment on the Customer's premises is less than .85, the following provision will apply:

- (a) When the billing demand is determined by estimate based on the connected load of the Customer's installation, the wattage of such equipment will be taken as the volt ampere input or rating of such equipment.
- (b) When the billing demand is measured by demand instruments, to the demand so established will be added the difference between the rating in watts of such equipment, and the input or rating of such equipment in volt amperes.

#### 3. Special Power Apparatus.

In the case of hoists, elevators, welding machines or other installations, where the use of electricity is intermittent or subject to violent fluctuations, Company reserves the right to use the input rating or the metered instantaneous demand of such equipment under maximum operating conditions, for billing purposes, or to require the Customer to provide at his own expense, suitable equipment to reasonably limit such intermittence or fluctuation.

#### 4. Changes in Installations.

As Company's service drops, transformers, meters, and other facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase. Any change affecting an estimated billing demand shall be rerated by Company's inspector and shall become effective from the succeeding meter reading.

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

Issued: March 31, 2006

Issued by Sandra P. Meyer, President

Effective: July 1, 2006

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 24  
Page 1 of 1

---

## SECTION V - METERING

### 1. Installation of Meters.

Electricity will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service drop, and upon the registration of said meter or meters all bills will be calculated. Company will install upon customer's premises but one meter or one unified set of meters of each standard service connection.

### 2. Meter Tests.

All meter tests shall be made in accordance with rules by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

### 3. Monitoring of Customer Usage.

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 1 of 3

---

## SECTION VI - BILLING AND PAYMENT

### 1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading was taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, and bills are payable only at the Company's offices or authorized agencies for collection. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

### 2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late payment charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 2 of 3

---

### SECTION VI - BILLING AND PAYMENT (Contd.)

#### 3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge for Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

#### 4. Temporary Discontinuance of Service.

If any customer on a residential rate, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided, however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge for Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

#### 5. Selection of Rate Schedule.

When a prospective customer makes application for service, Company will, upon request, assist in the selection of the Rate Schedule most favorable to customer or the service requested. The selection will be based on the prospective customer's statement as to the class of service desired, the amount and manner of use, and any other pertinent information.

#### 6. Change to Optional Rate Schedule.

A customer being billed under one of two or more optional Rate Schedules applicable to his class of service may elect to be billed on any other applicable Rate Schedule by notifying Company in writing, and Company will bill customer under such elected Schedule from and after the date of the next meter reading. However, a customer having made such a change of Rate Schedule may not make another such change within the next twelve months.

#### 7. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 25  
Page 3 of 3

---

**SECTION VI - BILLING AND PAYMENT (Contd.)**

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

**8. Partial payment Plans.**

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

**9. Bill Format**

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 26  
Page 1 of 2

---

## SECTION VII - DEPOSITS

### 1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 26  
Page 2 of 2

---

**SECTION VII - DEPOSITS (Contd.)**

**2. All Calculated Deposits.**

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 27  
Page 1 of 1

---

## SECTION VIII - APPLICATION

### 1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made change therein, substitutions therefor or additions thereto.

### 2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application, rates terms, conditions, rules or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said commission.

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

---

Issued: March 31, 2006

Effective: July 1 2006

Issued by Sandra P. Meyer, President



Account Number 1212-1212-12-4      80    21

Due Date	Amount Due
mmm dd, yyyy	\$ 78.79

\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 WinterCare Contribution      Amount Enclosed  
 (for Customer Assistance)

Current Customer  
 12345 Your Street  
 Your City ST 12345-1234

PO Box 9001076  
 Louisville KY 40290-1076

200 00000078794 12121212124 mmmddyyy2 00000080867

Name/Service Address	For Inquiries Call	Account Number
Current Customer 12345 Your Street Your City ST 12345-1234	Duke Energy 1-800-123-4567	1212-1212-12-4

Mail Payments To	Account Information
PO Box 9001076 Louisville KY 40290-1076	Payments after mmm dd not included      Bill Prepared on mmm dd, yyyy Last payment received mmm dd      Next meter reading mmm dd, yyyy

Urgent Messages are printed in this section of the bill with a box around the message text.

Meter	Number	Reading Date		Days	Meter Reading		Usage
		From	To		Previous	Present	
Gas	111111111	mmm dd	mmm dd	30	1975	1993	18
Elec	222222222	mmm dd	mmm dd	30	21202	21789	587

Gas - Residential	
Usage - 18 CCF	
Duke Energy - Rate RS	\$ 33.20
<b>Current Gas Charges</b>	<b>\$ 33.20</b>
Gas Cost Recovery Chrg: x.xxxxxxxx/CCF	

Current Billing	
Balance - Previous Bill	\$ 100.87
Payment(s) Received	100.87 cr
<b>Balance Forward</b>	<b>0.00</b>
Current Gas Charges	\$ 33.20
Current Electric Charges	41.34
Taxes	4.25
<b>Current Amount Due</b>	<b>\$ 78.79</b>

Electric - Residential	
Usage - 587 kWh	
Duke Energy - Rate RS	\$ 41.34
<b>Current Electric Charges</b>	<b>\$ 41.34</b>

Taxes	
Taxes	\$ 4.25

Printed on recycled paper and is recyclable.

Non-Urgent Bill Messages appear in this section of the bill

Due Date	Amount Due	After
mmm dd, yyyy	\$ 78.79	mmm dd, yyyy pay
		\$ 80.86



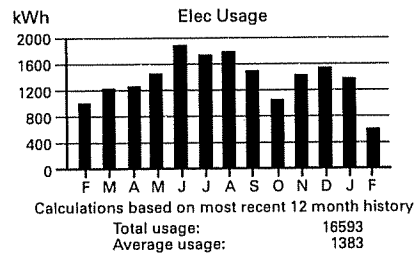
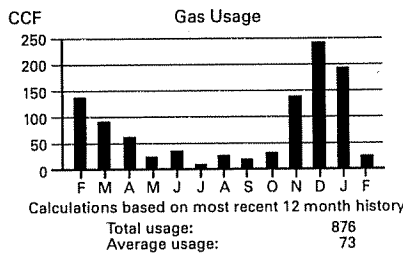


Name	Service Address	Account Number
Current Customer	12345 Your St Your City ST 12345-1234	1212-1212-12-4

Explanation of Current Charges				
<b>Gas</b> Meter # 11111111 CCF Usage - 18  mmm dd - mmm dd 30 Days	<b>Duke Energy</b> Rate RS - Residential Service  Customer Charge \$ xx.xx Gas Delivery Charge 18 CCF @ \$ x.xxxxxxx x.xx Gas DSM Rider 18 CCF @ \$ x.xxxxxxx x.xx Gas Cost Recovery 18 CCF @ \$ x.xxxxxxx xx.xx	     \$ xx.xx		
	<b>Total Current Gas Charges</b>		<b>\$ xx.xx</b>	
	<b>Electric</b> Meter # 22222222 kWh Usage 587  mmm dd - mmm dd 30 Days	<b>Duke Energy</b> Rate RS - Residential Srvs-xxxxxxx  Customer Charge \$ x.xx Energy Charge 587 kWh @ \$ x.xxxxxxx xx.xx Elec DSM Rider 587 kWh @ \$ x.xxxxxxx x.xx Elec Fuel Adjustment 587 kWh @ \$ x.xxxxxxx x.xx cr	     \$ xx.xx	
		<b>Total Current Electric Charges</b>		<b>\$ xx.xx</b>

Explanation of Taxes		
<b>Taxes</b>	Rate Incr for School Tax \$ x.xx	\$ x.xx
<b>Total Taxes</b>		<b>\$ x.xx</b>

Printed on recycled paper and is recyclable.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Gas	143	87	58	24	38	7	27	17	29	142	238	191	18
Electric	1025	1209	1211	1478	1855	1689	1698	1528	1035	1376	1575	1352	587



**Bill Payment Made Easy**

**e-Bill** - View and pay your bill for free at [www.duke-energy.com](http://www.duke-energy.com)  
**BillPayer 2000®** - Automatically pay from your checking account for 30¢/transaction - enroll at 1-800-991-7771  
**Speedpay®** - Pay by phone at 1-877-596-5068 with credit card or check for \$3.95/transaction

**EXPLANATION OF ESTIMATED CHARGES**

Meters are scheduled to be read monthly. Regular meter readings are essential for accurate billing. When we are unable to read a meter, the usage is estimated based on previous bills. An estimated read will be considered the same as an actual read.

**PAYMENT OF BILLS**

In order to avoid paying a late charge, please mail your payment to Duke Energy several days before the due date. Or, if you prefer, you may pay by phone through Speedpay, pay online with e-Bill, or pay automatically through BillPayer 2000®. Payments can also be made at a Duke Energy office or Pay Station location. For more information about our bill payment options, please visit us at [www.duke-energy.com](http://www.duke-energy.com) or call 1-800-544-6900.

Disconnection of your utility service(s) will not result from failure to pay any non-tariffed or non-regulated products or services.

**LATE PAYMENT CHARGE INFORMATION**

You can avoid a late payment charge if you pay your current month's charges plus at least \$5.00 on any past due balance. However your payment must be received in a Duke Energy office by the DUE DATE shown on your current bill.

Please note, any unpaid past due balance remains subject to collection efforts, including possible disconnection of services.

**EXPLANATION OF BILL LANGUAGE  
(The following terms will not appear on every bill)**

BBP Cycle	Period of time used to calculate the current Budget Billing monthly installment amount.	Elec. Rate	Code that identifies the rate used to determine the Electric Usage Charge.
CCF	Gas usage, measured in hundreds of cubic feet.	EST or E	Estimated Meter Read.
CR	Credited amount.	Gas Rate	Code that identifies the rate used to determine the Gas Usage Charge.
Current Gas Charges	Total of all charges based on gas usage during the current billing period.	kWh	Electric usage measured in Kilowatt-hours.
Customer Charge	Charge for administrative costs, including meter reading, billing, and collecting. The Customer Charge for each service includes 10 cents for an energy assistance program approved by the Public Service Commission.	Late Payment	Additional charge added to the bill if Amount To Pay is not received in full by the due date.
		Meter Multiplier	Constant number that the meter reading usage is multiplied by to obtain the energy usage.
		Usage	Amount of energy used during the billing period.

**GAS COST INFORMATION**

The GAS COST ADJUSTMENT (GCA) rate is the cost (per 100 cubic feet) of gas we purchase from our suppliers. This rate varies periodically as gas prices to us increase or decrease. Duke Energy makes no profit on this charge since it is based on the actual cost we pay our suppliers for the gas we purchase and resell. The GCA amount is included in your total bill as an addition to the Gas Usage Charge, which covers our normal operating expenses for delivering gas to you.

**ELECTRIC COST INFORMATION**

The ELECTRIC FUEL ADJUSTMENT (EFA) rate is the increase or decrease (since determination of the Base Period Fuel Cost) in the cost of fuel purchased from our supplier and used to generate electricity. The EFA rate is computed monthly according to a formula established by the Kentucky Public Service Commission. Duke Energy makes no profit on the EFA since it is based on the actual cost of fuel used to generate electricity. The amount of the EFA is included in your total bill.

**BILLING OR SERVICE INQUIRIES**

If you have a question about your bill or service, call us at (513) 421-9500, or from a toll free area call 1-800-544-6900. You may also write to our Customer Services Department at P.O. Box 960, Mail Drop 309C, Cincinnati, OH 45201, contact us by fax at (513) 287-2376, or e-mail us at [www.duke-energy.com](http://www.duke-energy.com). Rate schedules and service regulations are available upon request.

**BUSINESS HOURS**

**OFFICE HOURS:**

Cincinnati - 8:00 a.m. - 5:00 p.m. Monday - Friday  
Newport - 8:00 a.m. - 5:00 p.m. Monday - Friday

**SERVICE EMERGENCY NUMBERS**

Gas Trouble - (513) 651-4466 OR 1-800-634-4300  
Electric Trouble - (513) 651-4182 OR 1-800-543-5599

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

Ky.P.S.C. Electric No. 1  
Original Sheet No. 63  
Page 1 of 2

---

**RATE OL-E  
OUTDOOR LIGHTING EQUIPMENT INSTALLATION**

**APPLICABILITY**

Applicable for the installation of any street or outdoor area lighting system (System) on private or public property and owned by the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service for the System under this tariff shall require a written agreement between the Customer and the Company. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's Installations and Section IV, Company's Installations.

A separate written agreement is required for the electrical energy consumed by this lighting system.

**CONTRACT FOR SERVICE**

The Customer will enter into an Outdoor Lighting Equipment Agreement, herein 'Agreement', with the Company for an initial term not to exceed ten years and automatically renewable annually thereafter. Termination by either party shall require 120 days advance written notice. The Agreement shall specify the lighting equipment to be installed and owned by the Company, the term of the agreement, itemized monthly charges for the equipment, maintenance terms, and any other necessary information.

The initial Agreement will include two specific monthly charges: a monthly System Charge based on the Company's cost of purchasing and installing the System (Installed Cost), and a monthly Maintenance Charge. The monthly System Charge will end with the expiration of the initial Agreement term while the monthly Maintenance Charge will continue for the life of the System. When the Agreement is terminated by Customer request before initial term expiration, the Customer must reimburse the Company the sum of all remaining monthly System Charges for the initial term of the Agreement, minus salvage value as determined by the Company.

The System Charge is determined by applying the current Levelized Fixed Charge Rate (LFCR), to the Company's cost of purchasing and installing the System. The Customer agrees to the resulting monthly charge that is dependent on the initial term length of the Agreement. The initial term length is the Customer's choice up to and including ten years. The Customer may make an up-front payment that will be applied against the Installed Cost and will thereby reduce the monthly System Charge.

The monthly Maintenance Charge covers estimated equipment maintenance costs as specified in the Agreement, including the ongoing costs of ownership such as administration, taxes and insurance. The Agreement allows for re-evaluation and possible adjustment to the maintenance monthly charges every three years.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

Ky.P.S.C. Electric No. 1  
Original Sheet No. 63  
Page 2 of 2

---

### LEVELIZED FIXED CHARGE CALCULATION

The annual Levelized Fixed Charge Rate percentage is calculated as follows:

$$\text{LFCR} = r + d + \left( \frac{T}{1-T} \right) \times (r + d - D) \times \left( \frac{r - i}{r} \right)$$

Where r = Rate of Return (Cost of Capital)  
D = Depreciation Rate (straight line)  
T = Federal and State Composite Income Tax Rate  
i = Synchronized Interest Deduction  
d = Sinking Fund Factor

### LATE PAYMENT CHARGE

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

### OWNERSHIP OF SERVICE LINES

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

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

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

### SERVICE REGULATIONS

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth Street  
Newport, Kentucky 41011

KY. P.S.C. Electric No. 1  
Original Sheet No. 71  
Page 1 of 1

---

**RIDER TS**  
**TEMPORARY SERVICE**

**APPLICABILITY**

Applicable to electric service of a temporary nature, where the standard residential or general service rates are effective for the application of this rider, for a period of less than one year and non-recurring, supplied in accordance with provisions of the appropriate rate currently in effect.

**TYPE OF SERVICE**

Service will be in accordance with the specifications of the standard applicable rate.

**CHARGES**

In addition to charges for service furnished under the applicable standard rate the customer will pay in advance the following charge:

Estimated unit cost of each service with supporting data to be filed with the Commission and updated annually by the utility.

**TERM OF SERVICE**

Temporary service hereunder will be rendered for a period not longer than six calendar months from the date of installation, provided however, the Company may, at its option, renew said temporary connection for an additional period of three months if required by the temporary need. At the expiration of said initial period or any renewal thereof, the Company may discontinue the service from the premise.

**SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 72  
Page 1 of 1

---

## RIDER X

### LINE EXTENSION POLICY

#### APPLICABILITY

Applicable to electric service supplied in accordance with the provisions of the appropriate rate currently in effect, from the nearest available distribution lines of required type of service when it is necessary to extend such lines.

#### EXTENSION PLAN

##### Extensions

When the estimated cost of extending the distribution lines to reach the customer's premise equals or is less than three (3) times the estimated gross annual revenue the Company will make the extension without additional guarantee by the customer over that applicable in the rate, provided the customer establishes credit in a manner satisfactory to the Company.

When the estimated cost of extending the distribution lines to reach the customer's premise exceeds three (3) times the estimated gross annual revenue, the customer may be required to guarantee, for a period of five (5) years, a monthly bill of one (1) percent of the line extension cost for residential service and two (2) percent for non-residential service.

When the term of service or credit have not been established in a manner satisfactory to the Company, the customer may be required to advance the estimated cost of the line extension in either of the above situations. When such advance is made the Company will refund, at the end of each year, for four (4) years, twenty-five (25) percent of the revenues received in any one year up to twenty-five (25) percent of the advance.

#### SERVICE REGULATIONS

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

---

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 73  
Page 1 of 2

---

## RIDER LM

### LOAD MANAGEMENT RIDER

#### APPLICABILITY

The Off Peak Provision is applicable to customers with an average monthly demand in excess of fifteen (15) kilowatts established over the most recent twelve month period receiving service under the provisions of either Rate DS, Service at Secondary Distribution Voltage, or Rate DP, Service at Primary Distribution Voltage.

#### OFF PEAK PROVISION

The "off peak period" for the summer season is defined as the period from 8:00 p.m. of one day to 11:00 a.m. of the following day; Friday from 8:00 p.m. to 11:00 a.m. of the following Monday; and from 8:00 p.m. of the day preceding a legal holiday to 11:00 a.m. of the day following that holiday. The "off peak period" for the winter season is defined as the period 2:00 p.m. to 5:00 p.m. and from 9:00 p.m. of one day to 9:00 a.m. of the following day; Friday from 9:00 p.m. to 9:00 a.m. of the following Monday; and from 9:00 p.m. of the day preceding a legal holiday to 9:00 a.m. of the day following that holiday. The following are recognized legal holidays as far as load conditions of the Company's system are concerned: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day. If the foregoing holidays occur on a Sunday, the following Monday is considered a holiday.

The "on peak period" is defined as all hours exclusive of the "off peak period" hours set forth in the preceding paragraph.

- I. For customers with an average monthly demand in excess of fifteen (15) kilowatts and not to exceed five hundred (500) kilowatts where electric service is furnished under the provisions of the Company's existing Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage.
  - A. For purposes of administration of this rider, the summer season, as stated above, is the period beginning June 1 and ending September 30. The winter season consists of all other days which have not been recognized in the summer season.
  - B. This provision is only available as Company demand meters with a programmable time-of-use register are installed on the customer's premise. Due to the limited availability of such metering equipment and Company personnel, a demand meter will be installed as metering equipment and Company personnel are available.
  - C. The customer will be required to pay the current installed cost of the time-of-use metering equipment in excess of the current installed cost of the standard demand register equipment, normally installed by the Company, which is required under the provision of Rate DS. All metering equipment shall remain the property of the Company which shall be responsible for its installation, operation, maintenance, testing, replacement or removal.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 73  
Page 2 of 2

---

**OFF PEAK PROVISION (Contd.)**

- D. When a customer elects the OFF PEAK PROVISION, the monthly customer charge of the applicable Rate DS will be increased by an additional monthly charge of five dollars (\$5.00) for each installed time-of-use meter. In addition, the DEMAND provision of Rate DS shall be modified to the extent that the billing demand shall be based upon the "on peak period," as defined above.
- II. For customers who meet the Company's criteria for the installation of a magnetic tape recording device for billing, and where electric service is furnished under the provisions of either Rate DS, Service at Secondary Distribution Voltage, or Rate DP, Service at Primary Distribution Voltage.
- A. For purposes of administration of this rider, the summer season, as stated above, is the period beginning with the meter reading date in the month of May and ending with the meter reading date in the month of September or the period beginning June 1 and ending September 30, at the Company's option. The winter season consists of all other days which have not been recognized in the summer season.
- B. The "off peak period" billing demand will be taken at fifty (50) percent of the highest fifteen minute demand established during the "off peak period," as defined above.
- C. When a customer elects this OFF PEAK PROVISION, the applicable monthly customer charge of Rate DS or Rate DP will be increased by an additional monthly charge of one hundred dollars (\$100.00).

The DEMAND provision of the applicable Rate DS or Rate DP shall be modified to the extent that the billing demand shall be based upon the "on peak period," as defined above. However, in no case shall the billing demand be less than the "off peak period" billing demand or the billing demand as determined in accordance with the DEMAND provision of the applicable Rate DS or Rate DP, as modified.

**TERMS AND CONDITIONS**

The term of contract for the Off Peak Provision shall be a minimum period of one (1) year.

The Company shall not be required to increase the capacity of any service facilities in order to furnish off peak demands. The Company reserves the right, upon 30 days notice to customers affected, to change the time or times during which on peak demands may be established.

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

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 1 of 4

---

## RIDER DSM

### DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

#### APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), DS, DP, DT, EH, GS-FL, SP, and TT (non-residential class).

#### CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per kilowatt-hour of monthly consumption and, where applicable, a rate per kilowatt of monthly billing demand, in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided capacity and energy costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected kilowatt-hour sales for the upcoming twelve-month period. The cost of approved programs assigned or allocated to the non-residential class shall be allocated as either demand-related or energy-related based on the respective percentage of avoided capacity cost or avoided energy cost to the total avoided cost estimated in the determination of the net resource savings for the program. For purposes of this tariff, net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The demand-related program costs thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PC. The associated energy-related program costs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PC for such rate class.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 2 of 4

---

**LR = LOST REVENUE FROM LOST SALES RECOVERY.** Revenues from lost sales due to DSM programs will be recovered through the decoupling of revenues from actual sales of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F<sub>g</sub>" calculated by the following formula:

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially "g" shall be set at 0.0175; and  
n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated kilowatt-hour sales for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of kilowatt-hour sales and, where applicable, the kilowatt-months of billing demand that will be lost for each twelve-month period as a result of the implementation of the approved programs times the energy charge for the applicable rate schedule, less the variable cost included in the charge, and the demand charges, respectively; and, 2) dividing that product by the expected kilowatt-hour sales or expected billing demand in kilowatt-months for the upcoming twelve-month period. The lost revenue attributable to decreased sales to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased kilowatt-hour energy sales and billing demand in kilowatt-months. Recovery of revenues from lost sales calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 3 of 4

---

**PI = DSM PROGRAM INCENTIVE RECOVERY.** The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of the Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be allocated as either demand-related or energy-related in the same manner as program costs are allocated as demand- or energy related. The demand-related PI amount thus determined shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related PI. Similarly, the energy-related incentive amount thus determined shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related PI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**BA = DSM BALANCE ADJUSTMENT.** The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous application of the BA and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the LR applicable to the residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 75  
Page 4 of 4

---

**BA = DSM BALANCE ADJUSTMENT (Cont.d)**

For the non-residential class, balance adjustment amounts will be separated into both demand and energy-related components. The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the demand-related balance adjustment amounts, plus interest, shall be divided by the expected billing demand in kilowatt-months for the upcoming twelve-month period to determine the demand-related BA, while the total of the energy-related balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the energy-related BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky's electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

**DSM CHARGE FILINGS**

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

**SERVICE REGULATIONS**

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

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
First Revised Sheet No. 78  
Cancels and Supersedes  
Original Sheet No. 78  
Page 1 of 1

---

**RIDER DSMR**

**DEMAND SIDE MANAGEMENT RATE**

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 75 of this Tariff.

The DSMR to be applied to residential customer bills beginning with the May 2006 revenue month is \$0.001080 per kilowatt-hour.

Beginning with the February 2006 revenue month, an Energy Assistance Program (EAP) charge of \$0.10 will be applied monthly to residential customer bills through December 2006. The Company may, with prior Commission approval, extend this program through 2007.

The DSMR to be applied to non-residential service customer bills beginning with the May 2006 revenue month for distribution service is \$0.000012 per kilowatt-hour, and \$0.000000 per kilowatt-hour for transmission service.

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

---

Issued: April 27, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
First Revised Sheet No. 81  
Canceling and Superseding  
Original Sheet No. 81  
Page 1 of 1

**RIDER MSR-E**

**MERGER SAVINGS CREDIT RIDER – ELECTRIC**

**APPLICABILITY**

Applicable to all retail sales in the Company electric service area excluding Interdepartmental sales.

**MERGER SAVINGS CREDIT RIDER FACTORS**

The applicable energy charges for electric service shall be decreased monthly by the amounts stated below to reflect the sharing of the merger savings, net of merger costs, per the merger savings sharing plan approved by the Commission in Case No. 2005-00228. This Rider shall take effect at the start of the first billing cycle which occurs 30 or more days following merger closing. This Rider shall remain in effect for 60 months or until the effective date of new rates established by the Company's next electric base rate case provided such date is later than January 1, 2008.

<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	0.000988
Rate DS, Service at Secondary Distribution Voltage	0.000223
Rate DP, Service at Primary Distribution Voltage	0.000223
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.000223
Rate EH, Optional Rate for Electric Space Heating	0.000223
Rate GS-FL, General Service Rate for Small Fixed Loads	0.000223
Rate SP, Seasonal Sports Service	0.000223
Rate SL, Street Lighting Service	0.000483
Rate TL, Traffic Lighting Service	0.000483
Rate UOLS, Unmetered Outdoor Lighting	0.000483
Rate OL, Outdoor Lighting Service	0.000483
Rate NSU, Street Lighting Service for Non-Standard Units	0.000483
Rate NSP, Private Outdoor Lighting Service for Non-Standard Units	0.000483
Rate SC, Street Lighting Service – Customer Owned	0.000483
Rate SE, Street Lighting Service – Overhead Equivalent	0.000483
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.000011
Other	0.000264

**SERVICE REGULATIONS**

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

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

Issued: May 1, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 82  
Page 1 of 2

---

## **RIDER PSM**

### **OFF-SYSTEM SALES PROFIT SHARING MECHANISM**

#### **APPLICABILITY**

Applicable to all retail sales in the Company electric service area excluding Interdepartmental sales for the billing months of May, 2006 through December, 2006.

#### **PROFIT SHARING RIDER FACTORS**

The applicable energy charges for electric service shall be decreased monthly by the stated amounts below to reflect the sharing of the off-system sales profits, per the Agreed Stipulation approved by the Commission in Case No. 2005-00228. This Rider shall become effective within 30 days after the consummation of the merger and shall remain in effect through the completion of billing for the December 2006 revenue month. At such time the terms of this Rider shall expire and the profit sharing mechanism shall revert to the terms approved in the Commission's December 5, 2003 Order in case No. 2003-00252.

Under this sharing mechanism and for calendar year 2006 only, the off-system sales profits shall be shared and allocated as follows: the first \$1.45 million in off-system sales profits shall be allocated to customers; the next \$400,000 of off-system sales profits shall be allocated to ULH&P; and any additional off-system sales profits shall be allocated 50 / 50% between ULH&P and customers. In no event shall the amount of the off-system sales profits allocated to customers be less than \$1.45 million for 2006.

The off-system sales profits applicable to customers shall be allocated to customer class based on the proportion of operation and maintenance expense in the cost of service study (excluding fuel, purchased power and gas commodity expense) approved in ULH&P's most recent electric base rate case. ULH&P will account for such off-system sales profits beginning January 1, 2006 through December 31, 2006, and will credit customers for such profits beginning with the first billing cycle which begins 30 days or more following merger closing. ULH&P will project and credit customers for profits for December 2006, and will perform a true-up for such amounts in January 2007.

---

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

Issued: April 27, 2006

Issued by Sandra P. Meyer, President

Effective: July 1, 2006

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 82  
Page 2 of 2

---

<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	0.001127
Rate DS, Service at Secondary Distribution Voltage	0.000250
Rate DP, Service at Primary Distribution Voltage	0.000186
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	0.000157
Rate EH, Optional Rate for Electric Space Heating	0.000898
Rate GS-FL, General Service Rate for Small Fixed Loads	0.000135
Rate SP, Seasonal Sports Service	0.000377
Rate SL, Street Lighting Service	0.000542
Rate TL, Traffic Lighting Service	0.000542
Rate UOLS, Unmetered Outdoor Lighting	0.000542
Rate OL, Outdoor Lighting Service	0.000542
Rate NSU, Street Lighting Service for Non-Standard Units	0.000542
Rate NSP, Private Outdoor Lighting Service for Non-Standard Units	0.000542
Rate SC, Street Lighting Service – Customer Owned	0.000542
Rate SE, Street Lighting Service – Overhead Equivalent	0.000542
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	0.000028
Other	0.000250

**SERVICE REGULATIONS**

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

---

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

Issued: April 27, 2006

Issued by Sandra P. Meyer, President

Effective: July 1, 2006

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 85  
Page 1 of 1

---

## **RIDER BR**

### **BROWNFIELD REDEVELOPMENT RIDER**

#### **AVAILABILITY**

Available to customers locating in a qualified "brownfield" redevelopment area as defined by Kentucky or federal law and served by existing primary service lines. Customers qualifying for service under this rider must enter into a Service Agreement and special contract with the Company. In order to receive service under this rider the special contract must be approved by the Kentucky Public Service Commission.

#### **NET MONTHLY BILLING**

The customer shall comply with all terms of the standard tariff rate under which the customer takes service except as contravened by the following.

- For the first 12 month period, the demand charge shall be reduced by 50 percent;
- For the second 12 month period, the demand charge shall be reduced by 40 percent;
- For the third 12 month period, the demand charge shall be reduced by 30 percent;
- For the fourth 12 month period, the demand charge shall be reduced by 20 percent;
- For the fifth 12 month period, the demand charge shall be reduced by 10 percent.

All subsequent billings shall be at the appropriate full standard service tariff rate.

#### **TERMS AND CONDITIONS**

The customer shall enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served and monthly minimum levels of demand and usage.

The Special Contract shall be in effect for a minimum term of eight (8) years and the customer shall be billed monthly based on the greater of: (a) its actual monthly demand and usage levels; or (b) the minimum monthly demand and usage levels specified in its Service Agreement and Special Contract.

The terms of this rider do not preclude the Company from offering different terms under a special contract if the Company deems it appropriate. The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 1 of 3

---

## RIDER DIR

### DEVELOPMENT INCENTIVE RIDER

#### GENERAL

Under the terms of this Rider, qualifying customers are required to enter into a Special Contract with the Company which Special Contract shall be subject to approval by the Kentucky Public Service Commission. The Development Incentive Rider consists of two separate programs designed to encourage development and/or redevelopment within the Company's service territory. These two programs are the Economic Development Program and the Urban Redevelopment Program. Each of these programs is described below.

#### PROGRAM DESCRIPTIONS

##### **Economic Development (ED) Program**

Available, at the Company's option, to non-residential customers receiving service under the provisions of one of the Company's non-residential tariff schedules. The ED Program is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under the ED Program of this Rider and the Company approves such application. The new load applicable under the ED Program must be a minimum of 1,000 kW at one delivery point. To qualify for service under the ED Program, the customer must meet the qualifications as set forth below. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under the ED Program. Where the customer is new to the Company's service area or is an existing customer expanding:

- 1) the Company would expect the customer employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees per 1,000 kW of new load. Employment additions must occur following the Company's approval for service under this Rider, and;
- 2) the Company would expect that the customer's new load would result in capital investment of one million dollars (\$1,000,000) per 1,000 kW of new load, provided that such investment is accompanied by a net increase in FTE employees employed by the customer in the Company's service area. This capital investment must occur following the Company's approval for service under this Rider.

The Company may also consider applying the ED Program to an existing customer who, but for economic incentives being provided by the State and/or local government or public agency, would leave the Company's service area. In this event, the customer must agree, at a minimum, to retain the current number of FTE employees.

The ED Program is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into a Special Contract for service under the ED Program, the successor customer may be allowed to fulfill the balance of the Special Contract under the ED Program. The ED Program is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. The ED Program is not available for load shifted from one customer to another within the Company's service area.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 2 of 3

---

#### **PROGRAM DESCRIPTIONS (Contd.)**

##### **Urban Redevelopment (UR) Program**

Applicable to new customers locating in an existing building of 25,000 square feet or more, which has been unoccupied and/or remained dormant for a period of two years or more, as determined by the Company. The new customer load must be a minimum of 500 kW at one delivery point. In addition, the requested service necessary to serve the new load must not result in additional investment in distribution or transmission facilities by the Company, excepting that minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed.

The UR Program is not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. The UR Program is also not available for load shifted from one establishment to another in the Company's service area. However, if a change of ownership occurs after the customer enters into a Special Contract under the UR Program, the successor customer may be allowed to fulfill the balance of the Special Contract under the UR Program.

#### **NET MONTHLY BILLING**

The customer shall comply with all terms of the standard tariff rate under which the customer takes service except that the customer's total bill for electric service, less any rate adjustment rider amounts as shown on the standard service tariff, shall be reduced by up to fifty (50) percent for a period of twelve (12) months. The customer will pay the full amount of the riders so indicated. The customer may request an effective date of the Rider which is no later than twelve (12) months after the Special Contract is approved and signed by the Company. All subsequent billings shall be at the appropriate full standard service tariff rate.

#### **TERMS AND CONDITIONS**

The Service Agreement shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification under this Rider. The customer must affirm that the availability of this Rider was a factor in the customer's decision to locate the new load or retain current load in the Company's service area.

For customers entering into a Service Agreement under this Rider due to expansion, the Company may install, at customer's expense, metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

Following the effective date of the Special Contract, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average load factor of 40 percent. Failure to do so will result in the customer being billed a minimum bill based on the minimum demand specified in the Service Agreement and a monthly average load factor of 40 percent.

The customer shall continue to take service from the Company at the same or greater demand and usage levels for a period of at least two (2) years following the twelve (12) month incentive period. The customer shall be billed monthly for two (2) years following the twelve (12) month incentive period based on the greater of: (a) its actual monthly demand and usage levels; or (b) its average demand and usage levels during the twelve (12) month incentive period.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697 A Monmouth Street  
Newport, Kentucky 41071

Ky.P.S.C. Electric No. 1  
Original Sheet No. 86  
Page 3 of 3

---

**TERMS AND CONDITIONS (Contd.)**

The terms of this rider do not prevent the Company from offering different terms under a special contract if the Company deems it appropriate. The Company is not obligated to extend, expand or rearrange its facilities if it determines that existing distribution/transmission facilities are of adequate capacity to serve the customer's load.

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 90  
Page 1 of 1

---

## **BAD CHECK CHARGE**

### **APPLICABILITY**

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

### **CHARGE**

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

### **SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 1 of 6

---

## RATE CATV

### RATE FOR POLE ATTACHMENTS OF CABLE TELEVISION SYSTEMS

#### APPLICABILITY

Applicable to the attachment of cable television systems to any pole of the Company by a person (attachee) who makes application on an appropriate Company form with submission of information and documents specified herein and in the application.

#### ATTACHMENT CHARGES

The following annual rental shall be charged for the use of each of the Company's poles:

\$4.60 for a two-user pole.

\$4.00 for a three-user pole.

A two-user pole is a pole being used, either by actual occupation or by reservation, by the attachee and the Company. A three-user pole is a pole being used, either by actual occupation or by reservation, by the attachee, the Company and a third party.

#### PAYMENT

Attachee shall pay to the Company for all authorized attachments an annual rental, as set forth above, for the use of each of the Company's pole, any portion of which is occupied by, or reserved at attachee's request for the attachments of attachee, at any time during the initial rental year. The first annual payment of rental for the previous rental year shall be due and payable on the first anniversary date of attachee's application. Subsequent payments of annual rental shall be due and payable on each succeeding anniversary date thereof.

As newly authorized attachments are made after the initial rental year, rentals for such attachments shall be paid for the entire year if made within the six month period after any anniversary date, and for on-half year if made during the following six month period. For any attachments removed by attachee and for which the Company shall have received written notice from attachee, the yearly rental shall be prorated to the date of removal.

All fees, charges and rentals provided for herein not paid when due and payable shall bear interest at the maximum rate permitted by law from the date when due, until paid.

#### TERMS AND CONDITIONS

1. Prior to the signing of the application, attachee shall send the Company all manufacturers' technical manuals and information, and construction standards and manuals regarding the equipment attachee proposes to use pursuant to the provisions contained herein and such other information as requested by the Company.

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 2 of 6

---

**TERMS AND CONDITIONS (Contd.)**

2. After the Company has received a signed application from attachee and before any attachment is made by attachee, it shall make a written request for permission to install attachments on any pole of the Company, specifying the location of each pole in question, the character of its proposed attachments and the amount and location of space desired. Within 30 days after receipt of such application, the Company shall notify attachee in writing whether or not it is willing to permit the attachments and, if so, under what conditions. If such permission is granted, attachee shall have the right to occupy the space allotted by the Company under the conditions specified in such permit and in accordance with the terms contained herein but the Company shall not be required to set a pole for the sole use by attachee. The Company will not deny attachee the right to attach to a pole, if space is or can be made available.
3. All attachments are to be placed on poles of the Company in a manner satisfactory to the Company and so as not to interfere with the present or any future use which the Company may desire to make of such poles, wires or other facilities. All attachments shall be installed and maintained by attachee so as to comply at least with the minimum requirements of the National Electrical Safety Code and any other applicable regulations or codes promulgated by federal, state, local or other governmental authority having jurisdiction. Attachee shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of attachee's attachments on the Company's poles. The Company shall be the sole judge as to the requirements for the present or future use of its poles and equipment and of any interference therewith.
4. In any case where it is necessary for the Company to replace a pole because of the necessity of providing adequate space or strength to accommodate the attachments of attachee thereon, either at the request of attachee or to comply with the above codes and regulations, the attachee shall pay the Company the total cost of this replacement. Such cost shall be the total estimated cost of the new pole including material, labor, and applicable overheads, plus the cost of transferring existing electric facilities to the new pole, plus the cost of removal of the existing pole and any other incremental cost required to provide for the attachments of the attachee, including any applicable taxes the Company may be required to pay because of this change in plant, minus salvage value of any poles removed.

Attachee shall also pay to the Company and other owners thereof the cost of removing all existing attachments from the existing pole and re-establishing the same or like attachments on the newly installed pole. The new pole shall be the property of the Company regardless of any payments by attachee towards its cost and attachee shall acquire no right, title or interest in such pole.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 3 of 6

---

**TERMS AND CONDITIONS (Contd.)**

5. If attachee's proposed attachments can be accommodated on existing poles of the Company by rearranging facilities of the company and of other attachees or permittees thereon, such rearrangement shall be made by the Company and such other attachees or permittees, and attachee shall on demand reimburse the Company and such other attachees or permittees for any expense incurred by them in transferring or rearranging such facilities. Any additional guying required by reason of the attachments of attachee shall be made by attachee at its expense, and to the satisfaction of the Company.
6. Whenever the Company discovers any unauthorized attachments of attachee, attachee shall pay to the Company an amount equal to twice the rental that would have been due had the installation been made the day after the Company's last inspection. The payment of these charges shall not relieve attachee of any responsibility, obligation imposed by law or assumed herein.
7. Whenever the Company notifies attachee in writing that the attachments of attachee interfere with the operation of facilities of the Company or other attachees or permittees, or constitute a hazard to the service rendered by the Company or other attachees or permittees, or fail to comply with codes or regulations above-mentioned, or are substandard in any way, attachee shall within 10 days after the date of such notice, remove, rearrange, or change its attachments as directed by the Company. In case of emergency, the Company reserves the right to remove or relocate the attachments of attachee at attachee's expense and without notice.
8. Attachee agrees to indemnify and save harmless Company from and against any and all liability, loss, damage, costs, attorney fees, or expense, of whatsoever nature or character, arising out of or occasioned by any claims or any suit for damages, injunction or other relief, on account of injury to or death of any person, or damage to any property including the loss of use thereof, or on account of interruption of attachee's service to its subscribers or others, or for public charges and penalties for failure to comply with federal, state or local laws or regulations, growing out of or in connection with any actual or alleged negligent act or omission, whether said negligence is sole, joint or concurrent, of attachee or its servants, agents or subcontractors, whether or not due in part to any act, omission or negligence of Company or any of its representatives or employees. Company may require attachee to defend any suits concerning the foregoing, whether such suits are justified or not.
9. Attachee agrees to obtain and maintain at all times during the period attachee has attachments on Company's poles, policies of insurance or bonds in lieu thereof providing an equivalent protection as follows:
  - (a) Public liability and automobile liability insurance for itself in an amount not less than \$500,000.00 for bodily injury to or death of any one person, and, subject to the same limit for any one person, in an aggregate amount not less than \$1,000,000.00 for any one occurrence.
  - (b) Property damage liability insurance for itself in an amount not less than \$500,000.00 for any one occurrence.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 4 of 6

---

**TERMS AND CONDITIONS (Contd.)**

- (c) Contractual liability insurance in the amounts set forth in (a) and (b) above, to cover the liability assumed by the attachee under the agreements of indemnity set forth herein.
10. Prior to making attachments to the Company's poles, attachee shall furnish to the Company two copies of a certificate or bond, from an insurance carrier or bond company acceptable to the Company, stating the policies of insurance or bond have been issued by it to attachee providing for the insurance or indemnity listed above and that such policies or bonds are in force. Such certificate shall state that the insurance carrier or bond company will give the Company 30 days prior written notice of any cancellation of or material change in such policies or bonds. The certificate or bond shall also quote in full the agreements of indemnity set forth herein as evidence of the type of contractual liability coverage furnished. If such certificate or bond recites that it is subject to any exceptions or exclusions, such exceptions or exclusions shall be stated in full in such certificate or bond, and the Company may, at its discretion, require attachee, before starting work, to obtain policies of insurance or bonds which are not subject to any exceptions or exclusions which the Company finds objectionable.
  11. The Company reserves the right, without liability to attachee or its subscribers, to discontinue the use of, remove, replace or change the location of any or all of the Company's poles, attachments or facilities regardless of any occupancy of the Company's poles by attachee, and attachee shall at its sole cost after written notice by the Company, make such changes in, including removal or transfer of, its attachments as shall be required by such action of the Company. Attachee shall make such changes within 10 days after written notice when such movement is to the same or another pole of Company and within 30 days when Company plans to abandon a pole and no other pole is available or planned to be installed by Company. If attachee fails to make such changes within the required time period after written notice by the Company or in case of an emergency, the Company reserves the right to make such changes to the attachments of attachee at attachee's expense and without notice, and no liability therefor shall be incurred by the Company, unless Company is solely negligent, because of such action for any consequential damages, including but not limited to loss of service to customers of attachee. Company may not require that attachee remove attachments for the sole reason to make room for Company on an existing pole.
  12. Attachee may at any time abandon the use of a jointly used pole hereunder by removing therefrom all of its attachments and by giving written notice thereof to the Company.
  13. Attachee shall secure any right, license or permit from any governmental body, authority, or other person or persons which may be required for the construction or maintenance of attachments of attachee, at its expense. The Company does not guarantee any easements, rights-of-way or franchises for the construction and maintenance of such attachments. Attachee hereby agrees to indemnify and save harmless the Company from any and all claims, including the expenses incurred by the Company to defend itself against such claims, resulting from or arising out of the failure of attachee to secure such right, license, permit or easement for the construction or maintenance of such attachments on the Company's poles.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 5 of 6

---

**TERMS AND CONDITIONS (Contd.)**

14. Electric service for cable television power supplies of attachee shall be supplied from the lines of the Company in the manner specified by the Company.
15. The Company shall have the right, from time to time while any poles are being used by attachee, to grant, by contract or otherwise, to others, rights or privileges to use any poles being used by attachee, and the Company shall have the right to continue and extend any such rights or privileges heretofore granted. The attachment privileges granted hereunder to an attachee shall at all times be subject to all previously granted rights pursuant to agreements between Company and others covering poles in joint use but shall not be subject to subsequently granted rights.
16. Attachee shall furnish bond, as specified by the Company, to guarantee the performance of the obligations assumed by attachee under the terms herein contained not otherwise covered by the insurance required by paragraph 9. Such bond shall be submitted to the Company prior to attachee's making attachments to the Company's poles. The amount of the bond may be reduced after the construction phase has been completed, and after attachee has proven to be a reliable utility customer. Allowance of such reduction shall not be unreasonably denied.
17. In case one party is obligated to perform certain work at its own expense and the parties mutually agree in writing that it is desirable for the other party to do such work, then such other party shall promptly do the work at the sole expense of the party originally obligated to perform the same. Bills for expense so incurred shall be due and payable within 30 days after presentation.
18. If attachee fails to comply with any of the provisions herein contained or defaults in the performance of any of its obligations herein contained and fails within 60 days after written notice from the Company to correct such default or non-compliance, the Company may, at its option, forthwith terminate the specific permit or permits covering the poles and attachee's attachments to which such default or non-compliance is applicable and any or all other permits of attachee, and remove attachments of attachee at attachee's expense, and no liability therefor shall be incurred by the Company because of such action except damages to facilities caused by the sole negligence of Company.
19. The area covered by the application will be set forth on a map, attached to, and made a part of the application. Such area may be extended or otherwise modified by a supplemental agreement mutually agreed upon and signed by the attachee and the Company with a new map attached thereto showing the changed area to be thereafter covered by the application. Such supplement shall be effective as of the date of final execution thereof and shall be attached to all executed copies of the application.
20. If attachee does not exercise the rights granted herein within six months from the date of the application, the application shall be void.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 92  
Page 6 of 6

---

**TERMS AND CONDITIONS (Contd.)**

21. The provisions herein shall be binding upon and inure to the benefit of the parties thereto, their respective successors and/or assigns, but attachee shall not assign, transfer or sublet any of the rights hereby granted or obligations hereby assumed without the prior written consent of the Company.

**SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY.P.S.C. Electric No. 1  
Original Sheet No. 95  
Page 1 of 1

---

**LOCAL FRANCHISE FEE**  
**APPLICABLE TO ALL RATE SCHEDULES**

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of electricity to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to by the Company.

---

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 1 of 3

---

## RATE UDP-R

### UNDERGROUND RESIDENTIAL DISTRIBUTION POLICY

#### APPLICABILITY

Applicable to the electric service of: 1. single family houses in increments of ten (10) or more contiguous lots with a maximum lot width of one hundred twenty (120) feet; or 2. multi-family dwellings in buildings containing five (5) or more individually metered family units. Rate UDP-R is available throughout the service area of the Company in those situations where the Company extends its distribution lines using pad-mounted transformers to serve new developments.

#### CHARGES

The following charges will be assessed:

1. Single Family Houses.

- A. \$2.15 per front foot for all primary extensions. Primary extension on private property will be charged \$2.15 per linear trench foot; and
- B. An additional \$2.00 per linear trench foot shall be charged where extremely rocky conditions are encountered, such conditions being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more which cannot be removed using ordinary excavation equipment.

2. Multi-Family Units.

There shall be no charge except where extremely rocky conditions are encountered, then the \$2.00 per linear trench foot, as stated and defined above, shall be charged.

#### GENERAL CONDITIONS

- 1. Others shall, in accordance with the specification of the Company and local inspection authority, furnish, install, own and maintain the customer services. The Company shall connect the customer service cable to its distribution system and provide and install pull-boxes, if necessary.
- 2. The Developer shall furnish and install all conduit and crossovers required by the Company, including all areas where paving is installed prior to the installation of the Company's distribution facilities, and be responsible for installing and maintaining these crossovers in accordance with the Company's specifications and location plans until the underground electric line is completed. A Company inspector must approve all crossovers before the trenches are backfilled; and the Developer shall stake each end of every crossover with a stake marked "ELEC." The Company shall determine where conduit and crossovers are required.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 2 of 3

---

**GENERAL CONDITIONS (Contd.)**

3. The Developer shall complete and be responsible for maintaining final grade within the right-of-way and the street until the street has been dedicated and accepted by the local government.
4. The Company shall determine the route of all Company-owned underground electric line extensions. Such facilities must be located so as to accessible at all times for switching and maintenance.
5. The point at which the underground distribution system begins shall be determined by the Company and the overhead primary extension to this point may be installed as open-wire conductors.
6. The Company shall determine equipment locations and such facilities must be accessible from adequate driveways, protected from mechanical hazards and placed so as to maintain proper clearance from building openings.
7. The Company shall determine the number of customers to be served from each transformer or pull-box, where meters shall be located and how they shall be grouped.
8. The Developer, at the Company's option, may be required to pay to the Company a deposit on the contracted charges when the agreement is executed. The Developer shall pay to the Company the balance due under said agreement at the Company's preconstruction meeting, at which time the work performed by the Company is scheduled.
9. The Developer shall furnish to the Company the required number of plat drawings approved by governmental authorities having jurisdiction, and any revisions of such plats, which shall indicate the location of all proposed driveways, parking areas, building openings and sewer, water, gas and telephone facilities.
10. The Developer shall stake all required lot corners or control points along the cable route as specified by the Company.
11. The Developer shall complete final grade of distribution line route before construction work is started and be responsible for maintaining same during construction. The Company shall permit a maximum cut of six inches for sidewalk and driveways after their facilities have been installed. No fill will be permitted after the Company's facilities have been installed except by written permission from the Company. If it is necessary to change the grade of the Company's facilities due to changes by the Developer, all costs of the change shall be borne by the Developer.
12. The underground construction area shall be clear of all other construction forces and, after the underground construction has begun, it shall not be interrupted by other construction forces.

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No.1  
Original Sheet No. 96  
Page 3 of 3

---

**GENERAL CONDITIONS (Contd.)**

13. The Developer shall enter into a written agreement with the Company. This agreement and an attached plan shall constitute written notice when Developer has signed said agreement and the ENDORSEMENT attached to said plat, accepting the location of underground electric facilities as shown thereon. Any additional engineering required or extra construction costs required by the Company shall be borne by the Developer.
14. The Developer shall grant to the Company, on its applicable forms, all rights-of-way which in the opinion of the Company are necessary or desirable for such extensions.
15. Should the Developer request additional facilities, different routing or termination points, or changes in the facilities planned or installed, the Developer shall pay the total estimated cost to the Company for such additional facilities or changes.
16. The Developer shall also pay the cost of any repairs or replacement to the distribution system resulting from the negligent act of acts of the Developer, his agents, workmen, contractors or tenants.

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 1 of 3

---

## RATE UDP-G

### GENERAL UNDERGROUND DISTRIBUTION POLICY

#### APPLICABILITY

Applicable to electric service of: 1. single family houses or multi-family dwellings that do not qualify under the Applicability of the Underground Residential Distribution Policy; 2. commercial and industrial customers; or 3. special situations. Rate UDP-G is available throughout the service area of the Company in those situations where the Company extends its distribution lines to serve new developments not covered by the Underground Residential Distribution Policy.

#### CHARGES

The charges shall be the difference between the Company's estimated cost to provide an underground system and the Company's estimated cost to provide an overhead system. In addition to the differential charge, the following provisions are applicable:

1. Single Family Houses or Multi-Family Units.

The customer may be required to provide the necessary trenching, backfilling, conduit system (if required) and transformer pads in place to Company's specifications.

2. Commercial and Industrial Units.

The customer shall:

- a) Provide the necessary trenching and backfilling;
- b) Furnish, install (concrete, if required), own and maintain all primary and/or secondary conduit system (with spares, if required) on private property meeting applicable codes and Company's specifications; and
- c) Provide the transformer pad and secondary conductors.

3. Special Situations

In those situations where the Company considers the pad-mounted transformer installations unsuitable, the customer shall provide the vault designed to meet National Electric Code, other applicable codes, and Company specifications, the conduit to the vault area and the secondary cable to the transformer terminals. The Company shall provide the transformers, the primary vault wiring and make the secondary connection to the transformer terminals.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 2 of 3

---

#### **CHARGES (Cont'd.)**

In large multiple cable installations, the customer shall provide the cable, provide and install the step bus mounted in the vault, and make necessary cable connections to the step bus to the Company's specifications. The Company shall provide and install connections from the transformer terminals to the step bus.

The customer shall extend the bus duct into the vault to the Company's specifications. The Company shall provide and install connections from the transformer terminals to the bus duct.

#### **GENERAL CONDITIONS**

1. Other shall, in accordance with the specifications of the Company and local inspection authority, furnish, install, own and maintain the customer services. The Company shall connect the customer service to its distribution system and provide and install pull boxes, if necessary.
2. The customer shall furnish and install all conduit systems required by the Company, and be responsible for maintaining the conduit system in accordance with the Company's specifications and location plans until the underground electric line is completed. A Company inspector must approve all conduit systems before the trenches are backfilled; and the customer shall stake each end of every crossover with a stake marked "ELEC." The Company shall determine where conduit systems are required.
3. The customer shall complete and be responsible for maintaining final grade within the right-of-way and the street until the street has been dedicated and accepted by the local government.
4. The Company shall determine the route of all Company-owned underground electric line extensions. Such facilities must be located so as to be accessible at all times for switching and maintenance.
5. The point at which the underground distribution system begins shall be determined by the Company and the overhead primary extension to this point may be installed as open-wire conductors.
6. The Company shall determine equipment locations and such facilities must be accessible from adequate driveways, protected from mechanical hazards and placed so as to maintain proper clearance from building openings.
7. The Company shall determine the number of customer to be served from each transformer or pull-boxes, where meters shall be located and how they shall be grouped.
8. The customer, at the Company's option, may be required to pay to the Company a deposit on the contracted charges when the agreement is executed. Upon completion of construction of the underground electric facilities, the customer shall pay to the Company the balance due under said agreement.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 97  
Page 3 of 3

---

**GENERAL CONDITIONS (Cont'd.)**

9. The customer shall furnish to the Company the required number of plat drawings approved by governmental authorities having jurisdiction, and any revisions of such plats, which shall indicate the location of all proposed driveways, parking areas, building openings and sewer, water, gas, telephone and CATV facilities.
10. The customer shall stake all required lot corners or control points along the cable route as specified by the Company.
11. The customer shall complete final grade of distribution line route before construction work is started and be responsible for maintaining same during construction. The Company shall permit a maximum cut of six inches for sidewalk and driveways after their facilities have been installed. No fill will be permitted after the Company's facilities have been installed except by written permission from the Company. If it is necessary to change the grade of the Company's facilities due to changes by the customer, all costs of the change shall be borne by the customer.
12. The underground construction area shall be clear of all other construction forces and, after the underground construction has begun, it shall not be interrupted by other construction forces.
13. The customer shall enter into a written agreement with the Company. This agreement and an attached plat shall constitute written notice when customer has signed said agreement and/or the ENDORSEMENT attached to said plat, accepting the location of underground electric facilities as shown thereon. Any additional engineering required or extra construction costs required of the Company shall be borne by the customer.
14. The customer shall grant to the Company, on its applicable forms, all rights-of-way which in the opinion of the Company are necessary or desirable for such extensions.
15. Should the customer request additional facilities, different routing or termination points, or changes in the facilities planned or installed, the customer shall pay the total estimated cost to the Company for such additional facilities or changes.
16. The customer shall also pay the cost of any repairs or replacement to the distribution system resulting from the negligent act or acts of the customer, his agents, workmen, contractors or tenants.
17. The customer will not be required to pay the differential in cost between a pad-mounted and pole-mounted transformer.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 1 of 5

---

**ELECTRICITY EMERGENCY PROCEDURES**  
**FOR**  
**LONG-TERM FUEL SHORTAGES**

**APPLICABILITY**

In the event of an energy emergency which necessitates curtailment of electricity consumption, Duke Energy Kentucky and consumers of electric energy supplied by the Company shall take actions set forth herein, except where the Kentucky Public Service Commission (Commission) or other authority having jurisdiction in the matter orders otherwise.

**PROCEDURES**

Electricity emergency procedures may be necessary if there is a shortage in the electric energy supply to meet the requirements of consumers of electric energy in the service area of the Company. The procedures set forth the actions to be taken by the Company and consumers of electric energy in the event of a long-term fuel shortage for electric generation jeopardizing electric service to the Company's customers.

**I. DEFINITIONS**

For purposes of this procedure, the Company has adopted the following definitions:

- A. "electricity priority uses" shall mean the amount of electrical energy necessary for protection of the public's health and safety, and for the prevention of unnecessary or avoidable damage to property at:
1. Residences (homes, apartments, nursing homes, institutions, and facilities for permanent residents or transients);
  2. Hospitals;
  3. Medical and human life support systems and facilities;
  4. Electric power generating facilities and central heating plants serving the public;
  5. Telephone, radio, television, and newspaper facilities;
  6. Local and suburban transit systems and air terminal facilities;
  7. Police and fire fighting facilities;

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 2 of 5

---

**DEFINITIONS (Contd.)**

8. Water supply and pumping facilities;
  9. Sanitary service facilities for collection, treatment, or disposal of community sewage;
  10. Federal facilities essential to national defense or energy supply;
  11. Production facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuel, and for fuel refineries;
  12. Pipeline transmission and distribution facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuels;
  13. Coal mines and related facilities;
  14. Production, processing, distribution, and storage facilities for dairy products, meat, fish, poultry, eggs, produce, crackers, bread, and livestock and poultry feed;
  15. Buildings and facilities limited to uses protecting the physical plant and structure, appurtenances, product inventories, raw materials, livestock, and other personal or real property; and
  16. Such other similar uses as may be determined by the Kentucky Public Service Commission (hereinafter "Commission").
- B. "non-priority uses" shall mean all uses of electricity other than priority uses.
- C. "consumer" shall mean that person or entity who consumes electric energy from the Company.
- D. "normal burn days" shall mean the number of days of coal supply available for operation of the generating facilities of the Company's supplier, Duke Energy Ohio.
- E. "normal usage" shall mean electric energy consumption by a consumer during the comparable period during the previous year adjusted for weather or other major changes in usage.

The Company encourages consumers who have electric priority uses to implement the actions required herein to the extent reasonably possible. Consumers who have electric priority uses or have critical equipment or processes should consider the installation of emergency generation equipment if continuity of service is essential.

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 3 of 5

---

## II. LONG-TERM FUEL SHORTAGE

- A. Upon the commencement of a coal miners' strike, officially declared or otherwise, or other happening which could cause a long-term fuel shortage, the Company shall curtail non-essential use of energy on premises controlled by the Company including parking and large area lighting and interior lighting except lighting required for security and safety, and other uses of energy both during and outside normal business hours.
- B. Voluntary Curtailment:
1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to forty (40) days, the Company shall request voluntary conservation by all consumers of at least 25% of all non-priority use of electric.
  2. The Company shall implement a public appeals campaign through the news media to its consumers making appropriate suggestions for achieving usage reductions. These reductions should include but not be limited to the following:
    - (a) Reduce outdoor lighting;
    - (b) Reduce general interior lighting levels to minimum levels to the extent this contributes to decreased electricity usage;
    - (c) Reduce show window and display lighting to minimum levels to protect property;
    - (d) Reduce the number of elevators operating in office buildings during non-peak hours;
    - (e) Reduce electric water heating temperature to minimum level.
    - (f) Minimize work schedules for building cleaning and maintenance, restocking, etc., in order to eliminate the necessity for office or commercial and industrial facilities to be open beyond normal working hours;
    - (g) Minimize electricity use by maintaining a building temperature of no less than 78 degrees Fahrenheit by operation of cooling equipment and no more than 68 degrees Fahrenheit by operation of heating equipment;
    - (h) Encourage, to the extent possible, daytime scheduling of entertainment and recreational facilities.
  3. The Company, through the issuing of periodic bulletins to the news media, shall inform the general public of:

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 4 of 5

---

## II. LONG-TERM FUEL SHORTAGE (Contd.)

- (a) The coal supply level of its supplier, at least weekly;
- (b) The actions which will be required of consumers if it becomes necessary to initiate mandatory curtailment of electric energy and the procedures to be followed prior to and during the period electric usage is restricted.

### C. Mandatory Curtailment - Stage One:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to thirty (30) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All non-priority outdoor lighting is prohibited;
  - (c) All public, commercial, and industrial buildings shall minimize electricity use by maintaining a building temperature of no less than 85 degrees Fahrenheit by the operation of cooling equipment and no more than 60 degrees Fahrenheit by the operation of heating equipment, except where health requirements or equipment protection deem such measures to be inappropriate;
  - (d) All public, commercial, and industrial buildings shall reduce interior lighting to the minimum levels essential for continued work and operations to the extent this contributes to decreased use of electric energy.

### D. Mandatory Curtailment - Stage Two:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty-five (25) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All consumers shall discontinue non-priority use of electricity on two days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 25% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage one levels during other days of the week.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY. P.S.C. Electric No. 1  
Original Sheet No. 98  
Page 5 of 5

---

## II. LONG-TERM FUEL SHORTAGE (Contd.)

### E. Mandatory Curtailment - Stage Three:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty (20) days, consumers shall curtail the use of electricity as follows:
  - (a) All previous measures shall be continued except as amended below;
  - (b) All consumers shall discontinue non-priority use of electricity on three days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 50% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage two levels during other days of the week.

### F. Mandatory Curtailment - Stage Four:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to fifteen (15) days, all consumers shall discontinue all non-priority use of electricity on all days of each week.

## III. The Company shall take such measures in connection with its facilities as are necessary and reasonable for the implementation of these procedures.

Where the integrity of the Company's electric system is in jeopardy, the Company may take additional measures it deems appropriate, such as voltage reduction up to 5% and interruption of selected distribution circuits on a rational basis.

## IV. PENALTIES

Failure of a consumer to comply with the Company's mandatory curtailment stages may subject that consumer's electric service to disconnection by the Company. Where the Company discovers that a consumer has exceeded its directed usage limitation by more than 15% in a thirty (30) day period, the Company shall notify the Commission that, on the third working day after said discovery, it shall disconnect electric service to such consumer until the fuel supply emergency is relieved.

---

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

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 1 of 7

---

## EMERGENCY ELECTRIC PROCEDURES

### APPLICABILITY

In the event of an energy emergency which necessitates curtailment of electric service, Duke Energy Kentucky may curtail electrical service to its customers in the manner set forth herein, either at its sole discretion, or under applicable policies, guidelines, directives or procedures issued by the East Central Area Reliability Council (ECAR), National Electric Reliability Council (NERC), the Midwest Independent Transmission System Operator, Inc. (Midwest ISO), or their successor organizations, or when required by the Kentucky Public Service Commission (Commission).

### PROCEDURES

#### I. General Rules Applicable to Energy Emergency

Emergency electrical procedures may be necessary in the event of electric supply shortages, transmission constraints, or other emergency conditions in the assigned service area of Duke Energy Kentucky and/or outside the assigned service area of Duke Energy Kentucky.

An emergency means an anticipated or existing shortage in the supply of or constraint in the transmission or distribution of electrical energy, which cannot be avoided by market purchases of energy or transmission capacity and which has or may adversely affect the operation or reliability of generating or transmission and distribution facilities.

In the event of an emergency, Duke Energy Kentucky may take any remedial measure that it deems reasonably necessary to alleviate the emergency condition or that may be required either by the Commission or under applicable policies, guidelines, directives or procedures issued by ECAR (including the then current revision of ECAR Document No. 3, Emergency Operations), NERC, the Midwest ISO, or their successor organizations, or Duke Energy Kentucky's emergency plan. During an emergency, Duke Energy Kentucky will follow the procedures set forth herein with regard to essential customers as defined in section II, below. Duke Energy Kentucky will take the remedial measures to alleviate the emergency conditions as set forth in section III, below.

#### II. Essential Customers

Essential customers are defined as follows:

- (A) hospitals and emergency care facilities, which shall be limited to those facilities providing medical care and performing in-patient surgery on patients;
- (B) federal, Commonwealth and county prisons and detention institutions;
- (C) police and fire stations, Kentucky national guard facilities, military bases, and federal facilities essential to the national defense;
- (D) "critical customers," which means any customer or consumer on a medical or life support system for whom an interruption of service would be immediately life threatening and who is enrolled in Duke Energy Kentucky's program for critical customers;
- (E) radio and television stations used to transmit emergency messages and public information broadcasts relating to emergencies;

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 2 of 7

**II. Essential Customers (Contd.)**

- (F) water pumping plants essential to the supply of potable water to a community;
- (G) sewage plants essential to the collection, treatment or disposal of a community's sewage;
- (H) emergency management and response facilities and the county-wide "911" system;
- (I) nursing homes;
- (J) central office telephone switching stations; and
- (K) blood banks.

Duke Energy Kentucky does not guarantee a continuous and uninterrupted flow of power to any customer. Power interruptions may occur due to many causes other than the emergency procedures set forth herein. Further, essential customers should expect that their power may be interrupted in the event of an emergency due to the nature of the emergency and the normal configuration of electric supply systems.

Essential customers are responsible for anticipating the possibility that power may be interrupted and for developing contingency plans if continuity of service is essential. Such contingency plans may include installing on-site backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location.

Duke Energy Kentucky will make reasonable efforts to maintain service to essential customers during an emergency and will attempt to minimize the time period of any interruption, when practical. Duke Energy Kentucky may, however, curtail power to essential customers during an emergency. Duke Energy Kentucky will attempt to identify essential customers and maintain a list of these customers for its load curtailment plans. Duke Energy Kentucky will verify and update this list annually and review its curtailment rotation schedules in an attempt to minimize the number of essential customers affected by curtailment.

Residential customers may request to participate in Duke Energy Kentucky's program for critical customers. Residential customers requesting to participate in this program must initially obtain a Medical Certificate from a licensed physician as to the need for and use of life support equipment in their household and must submit the certificate to Duke Energy Kentucky along with their request to enroll in the program.

Upon enrollment in the program, Duke Energy Kentucky will notify the customer in writing of the customer's options and responsibilities during an interruption, such as the need for backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location. Duke Energy Kentucky will also notify these customers that it cannot guarantee a continuous and uninterrupted flow of power. Duke Energy Kentucky will annually verify the customers' eligibility to continue to participate in the program.

Any non-residential customer may apply to be considered an essential customer, provided they must notify Duke Energy Kentucky in writing of this request and provide the specific reasons why they should be considered an essential customer. Duke Energy Kentucky will respond in writing within ten days of receipt of the request informing the customer whether, in Duke Energy Kentucky's sole discretion, they will be classified as a non-residential essential customer. Non-residential essential customers are also encouraged to develop contingency plans for use during an emergency, such as

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 3 of 7

the need for backup generation, uninterruptible power supplies, other alternative power sources or evacuation to another location.

## II. Essential Customers (Contd.)

Essential customers should prepare to implement their contingency plans any time that Duke Energy Kentucky makes a public appeal for voluntary conservation, due to the possibility that Duke Energy Kentucky may experience an emergency during such time that Duke Energy Kentucky makes public appeals for voluntary conservation.

If Duke Energy Kentucky has adequate advance notice that an emergency may occur, then Duke Energy Kentucky will attempt to call critical customers to alert them of the possibility of a power interruption. Due to the frequently sudden onset of an emergency and the time necessary to contact all critical customers, Duke Energy Kentucky may not be able to contact critical customers in advance of an emergency.

## III. Remedial Measures in the Event of Emergency

In case of an emergency, Duke Energy Kentucky will exercise the following series of load reduction measures to match the load with available generation. These measures are arranged in order of severity of the measures necessary to alleviate the emergency conditions presented. In the case of a sudden or unanticipated emergency, the urgency of the situation may require Duke Energy Kentucky to immediately implement the more severe measures.

### Pricing Signals and Special Contracts

Duke Energy Kentucky offers a variety of pricing signals using approved tariffs and special contracts to encourage customers to reduce their load when generation is in short supply. Participating customers may elect to voluntarily reduce their demand based on the terms of these tariffs and contracts.

### Internal Conservation

Duke Energy Kentucky will reduce its own energy consumption by instructing its employees to adjust thermostats, turn off lights and reduce other non-essential loads at Duke Energy Kentucky facilities.

### Voltage Reduction

Duke Energy Kentucky may reduce voltages. However, Duke Energy Kentucky will not reduce voltage more than 5% below normal allowable ranges.

### Public and Targeted Appeals for Voluntary Conservation

Duke Energy Kentucky will issue news releases to request customers to voluntarily conserve electricity, with suggestions on how to conserve. Duke Energy Kentucky will also contact large commercial and industrial customers (1000 kW or more) requesting them to conserve energy.

Depending on the nature of the emergency, Duke Energy Kentucky will issue additional news releases advising customers of a more critical need for voluntary conservation and also notifying customers that Duke Energy Kentucky may implement rotating blackouts if the emergency conditions are not alleviated. Duke Energy Kentucky will contact large commercial and industrial customers (1000 kW or more) requesting them to curtail all non-essential load.

### Automatic Reserve Sharing

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 4 of 7

---

Automatic Reserve Sharing is a standard method for utilities to aid an adjoining, interconnected utility whose power reserves are low by transmitting power through the interconnection points to raise the reserves of the affected utility. In time of emergency, Duke Energy Kentucky may utilize Automatic Reserve Sharing.

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

---

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 5 of 7

### III. Remedial Measures in the Event of Emergency (Contd.)

#### Manual, Involuntary Load Curtailment

Duke Energy Kentucky may implement manual load curtailment, which is a controlled process of rotating customer outages during extreme emergencies. NERC policies may require manual curtailment when Duke Energy Kentucky experiences an emergency. NERC policies may also require manual curtailment when the reliability of the Eastern Interconnect is threatened by supply or transmission problems unrelated to conditions within Duke Energy Kentucky's transmission system.

#### Automatic Load Curtailment

Duke Energy Kentucky may implement automatic load curtailment, which is a process where under-frequency relays are used to shed load as soon as the relays detect problems based upon the system frequency. NERC policies may require automatic curtailment when Duke Energy Kentucky experiences an emergency or when the Eastern Interconnect is threatened by transmission system reliability problems unrelated to conditions affecting Duke Energy Kentucky's transmission system.

### IV. Curtailment Procedures

Involuntary load curtailment is generally accomplished via remote control of circuits that feed large individual customers and/or general distribution loads. Most general distribution circuits supply many customers including one or more essential customers. Duke Energy Kentucky will analyze circuits for curtailment eligibility based upon the ability to perform curtailment via remote control and upon the type of load the circuits serve. Duke Energy Kentucky will attempt to limit the number of essential customers affected by involuntary load curtailments; however, given the number of circuits within Duke Energy Kentucky's system and the number of customers served by Duke Energy Kentucky, it is likely that Duke Energy Kentucky will interrupt power to some essential customers if involuntary load curtailment procedures become necessary to alleviate emergency conditions. Duke Energy Kentucky will adjust manual involuntary curtailment schedules and attempt to provide advance notification to essential customers if involuntary load curtailment occurs.

Duke Energy Kentucky will advise the Commission of the nature, time and duration of all implemented emergency conditions and procedures which affect normal service to customers.

Duke Energy Kentucky may initiate the following actions, as it deems appropriate, in the event of an emergency where curtailment is imminent or necessary.

- (A) If Duke Energy Kentucky is unable to balance its generation and interchange schedules to its load after using all available resources, Duke Energy Kentucky may, at its discretion, declare an emergency Commonwealth to the NERC/ECAR Security Coordinator.
- (B) Duke Energy Kentucky may enter into power purchases to the extent that generation resources are reasonably available and transmission loading will allow.
- (C) Duke Energy Kentucky may use any or all of the remedial measures in section III, above.
- (D) If the transmission system frequency is above 59.8 Hz and Duke Energy Kentucky cannot reasonably balance resources to load, then Duke Energy Kentucky may curtail firm load to balance resources to load.
- (E) If the transmission system frequency is at or below 59.8 Hz, then Duke Energy Kentucky may curtail firm load to balance resources to load.

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 6 of 7

**IV. Curtailment Procedures (Contd.)**

(F) If the transmission system frequency is at or below 59.7 Hz, then Duke Energy Kentucky may curtail firm load to assist in maintaining regional system integrity.

Automatic under-frequency load shedding may occur in the event of a sudden decline of the frequency on the ECAR System or a sudden breakup that isolates all or parts of the Kentucky transmission system from other interconnected transmission systems. The under-frequency load shed may occur according to the following schedule, with each step shedding approximately an additional five percent of load as compared to the system load:

<u>Step</u>	<u>Freq-Hz</u>	<u>Approximate % Load Shed</u>
1	59.5	5.0
2	59.3	5.0
3	59.1	5.0
4	58.9	5.0
5	58.7	5.0

Under these circumstances, Duke Energy Kentucky will interrupt power of selected distribution circuits and lines serving customers throughout its assigned service area at Duke Energy Kentucky's sole discretion.

If automatic load shedding has occurred and frequency is still declining, Duke Energy Kentucky may take any additional actions that it deems reasonably necessary to arrest the decline. This may include additional load shedding and coordinated network separations.

If necessary to resynchronize the isolated area or to curtail the decline in frequency, Duke Energy Kentucky may take the following steps in the sequence set forth below:

- (A) Duke Energy Kentucky may, at its discretion, interrupt power to controlled service loads and to loads rendered service under interruptible tariffs.
- (B) Duke Energy Kentucky may reduce voltage up to five percent when deemed appropriate.
- (C) Duke Energy Kentucky may manually shed load.

Duke Energy Kentucky shall not be liable for power interruptions attributable to:

- (A) the availability of or malfunctions in generation or transmission facilities;
- (B) malfunctions in the local distribution system due to conditions beyond Duke Energy Kentucky's control, such as storms, floods, vandalism, strikes, fires, or accidents caused by third parties;
- (C) Duke Energy Kentucky following any applicable orders, policies, guidelines, directives or procedures issued by the Commission, governmental authorities, East Central Area Reliability Council (ECAR), National Electric Reliability Council (NERC), the Midwest ISO, or their successor organizations; provided that Duke Energy Kentucky makes reasonable efforts to restore service as soon as reasonably practicable.

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky  
1697-A Monmouth  
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1  
First Revised Sheet No. 100  
Cancels and Supersedes  
Original Sheet No. 100  
Page 7 of 7

(D)

Notwithstanding the foregoing, Duke Energy Kentucky may be liable for damages resulting from power interruptions attributable to its gross negligence or willful misconduct.

The provisions of these Emergency Electrical Procedures are subject to the provisions of Duke Energy Kentucky's Retail Electric Tariff, as then in effect and approved by the Commission, including but not limited to the provisions of Duke Energy Kentucky's General Terms And Conditions For Electric Service.

Issued by authority of the Kentucky Public Service Commission dated \_\_\_\_\_ in Case No. 2006-00172.

Issued: June 21, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President



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

KY.P.S.C. Electric No. 1  
Original Sheet No. 101  
Page 1 of 1

---

**RATE MDC**

**METER DATA CHARGES**

**APPLICABILITY**

This optional program applies to customers located in the Company's service territory that have meter pulse equipment and/or interval metering equipment and who elect to enroll in the En-Focus program.

**EN-FOCUS™**

Customers electing the En-Focus option will be required to enroll online, and will be required to accept the Terms and Conditions of the En-Focus program, presented to the customer at the time of enrollment.

Electronic monthly interval data with graphical capability  
accessed via the Internet (En-Focus™)

\$20.00 per month

**SERVICE REGULATIONS**

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

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

---

Issued: March 31, 2006

Effective: July 1, 2006

Issued by Sandra P. Meyer, President