

**The Union Light, Heat and Power Company
d/b/a Duke Energy Kentucky
Case No. 2006-00172
Forecasted Test Period Filing Requirements
Table of Contents**

RECEIVED

MAY 31 2006

**PUBLIC SERVICE
COMMISSION**

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	Sandra P. Meyer
1	2	807 KAR 5:001 Section 8 (1)	Full name and P.O. address of applicant and reference to the particular provision of law requiring PSC approval.	Sandra P. Meyer
1	3	807 KAR 5:001 Section 8 (2)	The original and 10 copies of application plus copy for anyone named as interested party.	Sandra P. Meyer
1	4	807 KAR 5:001 Section 10 (1)(b)(1)	Reason adjustment is required.	Paul G. Smith
1	5	807 KAR 5:001 Section 10 (1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3 (1).	Dwight L. Jacobs
1	6	807 KAR 5:001 Section 10 (1)(b)(3) and (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Sandra P. Meyer
1	7	807 KAR 5:001 Section 10 (1)(b)(4)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Sandra P. Meyer
1	8	807 KAR 5:001 Section 10 (1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Sandra P. Meyer
1	9	807 KAR 5:001 Section 10 (1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	Jeffrey R. Bailey
1	10	807 KAR 5:001 Section 10 (1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Jeffrey R. Bailey
1	11	807 KAR 5:001 Section 10 (1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Sandra P. Meyer
1	12	807 KAR 5:001 Section 10 (2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Sandra P. Meyer
1	13	807 KAR 5:001 Section 10 (4) (a)	Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.	Sandra P. Meyer
1	14	807 KAR 5:001 Section 10 (4)(b)	Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is	Sandra P. Meyer

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			filed with the commission.	
1	15	807 KAR 5:001 Section 10 (4)(c)	Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods: 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission; 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission; or 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.	Sandra P. Meyer
1	16	807 KAR 5:001 Section 10 (4)(d)	If notice is published, an affidavit from the publisher verifying that the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the Commission no later than forty-five (45) days of the filed date of the application.	Sandra P. Meyer
1	17	807 KAR 5:001 Section 10 (4)(e)	If notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the Commission no later than thirty (30) days of the filed date of the application.	Sandra P. Meyer
1	18	807 KAR 5:001 Section 10 (4)(f)	All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.	Sandra P. Meyer
1	19	807 KAR 5:001 Section 10 (5)	Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300.	Sandra P. Meyer
1	20	807 KAR 5:001 Section 10 (8)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.	William Don Wathen, Jr.
1	21	807 KAR 5:001 Section 10 (8)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.	William Don Wathen, Jr.
1	22	807 KAR 5:001 Section 10 (8)(c)	Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.	William Don Wathen, Jr.

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1	23	807 KAR 5:001 Section 10 (8)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless such revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	William Don Wathen, Jr.
1	24	807 KAR 5:001 Section 10 (8)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	William Don Wathen, Jr.
1	25	807 KAR 5:001 Section 10 (8)(f)	Reconciliation of rate base and capital used to determine revenue requirements.	William Don Wathen, Jr.
1	26	807 KAR 5:001 Section 10 (9)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All witnesses
1	27	807 KAR 5:001 Section 10 (9)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Jim L. Stanley John J. Roebel
1	28	807 KAR 5:001 Section 10 (9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Brian P. Davey
1	29	807 KAR 5:001 Section 10 (9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Brian P. Davey
1	30	807 KAR 5:001 Section 10 (9)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Sandra P. Meyer
1	31	807 KAR 5:001 Section 10 (9)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date;	Jim L. Stanley John J. Roebel

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			2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	
1	32	807 KAR 5:001 Section 10 (9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Jim L. Stanley John J. Roebel
1	33	807 KAR 5:001 Section 10 (9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Brian P. Davey Lynn J. Good #6, #13, #16 & #17 Not applicable
1	34	807 KAR 5:001 Section 10 (9)(i)	Most recent FERC or FCC audit reports.	Dwight L. Jacobs
1	35	807 KAR 5:001 Section 10 (9)(j)	Prospectuses of most recent stock or bond offerings.	Lynn J. Good
1	36	807 KAR 5:001 Section 10 (9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	Dwight L. Jacobs
2	37	807 KAR 5:001 Section 10 (9)(l)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date.	Dwight L. Jacobs

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3	38	807 KAR 5:001 Section 10 (9)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Dwight L. Jacobs
3	39	807 KAR 5:001 Section 10 (9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Brian P. Davey
3	40	807 KAR 5:001 Section 10 (9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Brian P. Davey
4-7	41	807 KAR 5:001 Section 10 (9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Dwight L. Jacobs
8	42	807 KAR 5:001 Section 10 (9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Dwight L. Jacobs
8	43	807 KAR 5:001 Section 10 (9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Dwight L. Jacobs
8	44	807 KAR 5:001 Section 10 (9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
8	45	807 KAR 5:001 Section 10 (9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	William Don Wathen, Jr.

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8	46	807 KAR 5:001 Section 10 (9)(u)	<p>If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable. 	Carol E. Shrum
9	47	807 KAR 5:001 Section 10 (9)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	Paul F. Ochsner
10	48	807 KAR 5:001 Section 10 (9)(w)	<p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: <ol style="list-style-type: none"> a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles. 	Not applicable
10	49	807 KAR 5:001 Section 10 (10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	William Don Wathen, Jr.
10	50	807 KAR 5:001 Section 10 (10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	William Don Wathen, Jr.
10	51	807 KAR 5:001 Section 10 (10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	William Don Wathen, Jr.

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10	52	807 KAR 5:001 Section 10 (10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	William Don Wathen, Jr.
10	53	807 KAR 5:001 Section 10 (10)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Keith G. Butler
10	54	807 KAR 5:001 Section 10 (10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	William Don Wathen, Jr.
10	55	807 KAR 5:001 Section 10 (10)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	William Don Wathen, Jr.
10	56	807 KAR 5:001 Section 10 (10)(h)	Computation of gross revenue conversion factor for forecasted period.	William Don Wathen, Jr.
10	57	807 KAR 5:001 Section 10 (10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Brian P. Davey
10	58	807 KAR 5:001 Section 10 (10)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Lynn J. Good
10	59	807 KAR 5:001 Section 10 (10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Brian P. Davey
10	60	807 KAR 5:001 Section 10 (10)(l)	Narrative description and explanation of all proposed tariff changes.	Jeffrey R. Bailey
10	61	807 KAR 5:001 Section 10 (10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Jeffrey R. Bailey
10	62	807 KAR 5:001 Section 10 (10)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Jeffrey R. Bailey

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10	63	807 KAR 5:001 Section (10)(3)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply. a. Present and proposed rates for each customer class to which change would apply. b. Electric, gas, water and sewer utilities-the effect upon average bill for each customer class to which change would apply. c. Local exchange companies-include effect upon average bill for each customer class for change in basic local service.	Jeffrey R. Bailey
10	64	807 KAR 5:001 Section 10 (4)(c)(d)(e)(f)	If copy of public notice included, did it meet requirements?	Sandra P. Meyer
10	65	807 KAR 5:001 Section 6(1)	Amount and kinds of stock authorized.	Lynn J. Good
10	66	807 KAR 5:001 Section 6(2)	Amount and kinds of stock issued and outstanding.	Lynn J. Good
10	67	807 KAR 5:001 Section 6(3)	Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.	Lynn J. Good
10	68	807 KAR 5:001 Section 6(4)	Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.	Lynn J. Good
10	69	807 KAR 5:001 Section 6(5)	Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.	Lynn J. Good
10	70	807 KAR 5:001 Section 6(6)	Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.	Lynn J. Good
10	71	807 KAR 5:001 Section 6(7)	Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.	Lynn J. Good
10	72	807 KAR 5:001 Section 6(8)	Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.	Lynn J. Good
10	73	807 KAR 5:001 Section 6(9)	Detailed income statement and balance sheet.	William Don Wathen, Jr.

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11	-	807 KAR 5:001 Section 10(10) (a) through (k)	Schedule Book (Schedules A-K)	Various
12	-	807 KAR 5:001 Section 10(10) (l) through (n)	Schedule Book (Schedules L-N)	Various
13	-	-	Work papers	Various
14	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 1 of 2)	-
15	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 2 of 2)	-
16	-	KRS 278.2205(6)	Cost Allocation Manual	-
17	-	807 KAR 5:056 Section 1(7)	Coal Contracts	-

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

**IN THE MATTER OF THE ADJUSTMENT
OF ELECTRIC RATES OF THE UNION
LIGHT, HEAT AND POWER COMPANY
D/B/A DUKE ENERGY KENTUCKY**

CASE NO. 2006- 00172

FILING REQUIREMENTS

VOLUME 12

Before

KENTUCKY PUBLIC SERVICE COMMISSION

ELECTRIC CASE NO. 2006-00172

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR ELECTRIC SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION L

SECTION L

RATES AND TARIFFS

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended August 31, 2006

Forecast Period: Twelve Months Ended December 31, 2007

Schedules

- L Narrative Rationale for Tariff Changes
- L-1 Clean Copy of Proposed Rate Schedules
- L-2.1 Copy of Present Rate Schedules
- L-2.2 Scored Copy of Proposed Rate Schedules

DUKE ENERGY KENTUCKY
CASE NO. 2006-172
NARRATIVE RATIONALE FOR TARIFF CHANGES
ELECTRIC SERVICE

DATA: 0 MONTHS ACTUAL & 12 MONTHS ESTIMATED
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE L
PAGE 1 OF 11
WITNESS RESPONSIBLE: J. R. BAILEY

GENERAL STATEMENT OF PROPOSAL

This schedule reflects the narrative tariff rationale used to generate the revenue requirement by class as determined by the Company's cost of service study. The overall increase is approximately 28.0%. Each rate is then designed to reflect the results of the cost of service study following a 25% reduction of subsidy excess revenues.

RATE IDENTIFIER: Service Regulations

**TYPE: Section IV –
Company's Installation,
Sheet No. 23, Page 1**

Explanation of Proposal:

Verbiage was added which require customers or private parties to pay all expenses related to the relocation of Company facilities or service entrance wiring when such relocation is requested by the Customer. If the relocation project receives public or quasi-public funding, the required payment for the relocation will be proportional to the funding for the project.

Rationale:

This provision ensures that neither the Company nor its ratepayers subsidize third-party relocation costs of electrical facilities.

RATE IDENTIFIER: Rate RS, Residential Service

TYPE: Domestic; Flat Rate

Explanation of Proposal:

A typical residential customer using 1,000 kWh a month will see an increase of approximately 33.4%. The increase is based upon the revenue requirement established by the cost of service study.

Rationale:

The customer charge was increased 34% to more closely align the charge with the customer-related costs associated with serving residential customers. The proposed customer charge remains significantly below the cost to serve. The energy charge was increased to recover the remaining cost of service revenue requirement. The seasonal and block structures were restructured to a flat cents per kWh rate for all kWh based on the structure analysis ordered by the Kentucky Public Service Commission in Case No. 91-370.

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NARRATIVE RATIONALE FOR TARIFF CHANGES
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WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE L
PAGE 2 OF 11
WITNESS RESPONSIBLE: J. R. BAILEY

**RATE IDENTIFIER: Rate DS, Service at Primary
Distribution Voltage**

TYPE: Modified Declining Block

Explanation of Proposal:

An overall increase of 23.60% is proposed for Rate DS to recover the allocated increase from the cost of service study.

Rationale:

The customer charge is being raised by 50% and the demand charge by 22.5%. These increases are to more correctly match the cost to serve. Even with the increases, these charges are significantly below the cost to serve. The energy charges have also been increased. These charges recover the remaining cost of service revenue requirements. The "cap" rates have been increased by the same percentage as the overall rate.

**RATE IDENTIFIER: Rate GS-FL, Optional Unmetered
General Service Rate for Small
Fixed Loads**

TYPE: Flat Rate

Explanation of Proposal:

An overall increase of 7.67% is proposed for Rate GS-FL to recover the allocated increase from the cost of service study.

Rationale:

The minimum bill charge increase is the same as the overall rate. The remaining cost of service revenue requirement is behind the increase in the energy charges.

**RATE IDENTIFIER: Rate SP, Seasonal Sports Service
Electric Space Heating**

TYPE: Seasonal/Flat

Explanation of Proposal:

An overall increase of 14.16% is proposed.

Rationale:

The customer charge is being raised by 50%. The increase is to more correctly match the cost to serve. The energy charge was increased to recover the remaining cost of service revenue requirement.

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ELECTRIC SERVICE

DATA: 0_ MONTHS ACTUAL & 12 MONTHS ESTIMATED
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WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE L
PAGE 3 OF 11
WITNESS RESPONSIBLE: J. R. BAILEY

**RATE IDENTIFIER: Rate EH, Optional Rate for
Electric Space Heating**

TYPE: Seasonal/Flat

Explanation of Proposal:

An overall increase of approximately 37.39% is proposed. The customer charges have been increased consistent with customer charges in Rates DS and DP. The energy charge is increased in order to attain the remaining revenue increase.

Non-heating usage will continue to be billed at the applicable distribution rate.

Rationale:

Customer charges are increased and set equal to those contained in Rates DS and DP. The energy charge was calculated by dividing the distribution revenue requirement, excluding customer charge revenue, by the forecast kWh usage.

**RATE IDENTIFIER: Rate DP, Service at Primary
Distribution Voltage**

TYPE: Modified Declining Block

Explanation of Proposal:

An overall increase of 28.26% is proposed to Rate DP in order to recover the revenue requirement as allocated from the cost of service study.

Rationale:

The customer charge has not been changed. The demand charges have been increased 23.36%. The demand charge is significantly below the demand-related cost to serve. The energy charges have been increased in order to attain the remaining revenue requirement.

RATE IDENTIFIER: Rider GSS, Generation Support Services

TYPE: Rider

Explanation of Proposal:

Changes are proposed to Rider GSS to recover the increased distribution and transmission costs similarly experienced by the standard rate tariff applicable to the customer's usage.

Rationale:

The Monthly Distribution and Transmission Reservation Charges have been increased to match the applicable unbundled base charges contained in Rates DS, DP, DT and TT.

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ELECTRIC SERVICE

DATA: 0 MONTHS ACTUAL & 12 MONTHS ESTIMATED
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE L
PAGE 4 OF 11
WITNESS RESPONSIBLE: J. R. BAILEY

RATE IDENTIFIER: Rider BDP, Back-up Delivery Point

TYPE: Rider

Explanation of Proposal:

The new Rider BDP has distribution and transmission costs experienced by each tariff rate group as applicable to the customer's usage. Therefore, this voluntary offering is priced to the cost of serving the overriding rate group.

Rationale:

The Monthly Distribution and Transmission Reservation Charges have been matched to the applicable unbundled base charges contained in Rates DS, DP, DT and TT.

RATE IDENTIFIER: Rate TT, Time of Day Rate For Service at Transmission Voltage

TYPE: Large Power

Explanation of Proposal:

An overall increase of 17.17% is proposed to Rate TT to recover the allocated increase from the cost of service study.

Rationale:

The customer charge remains at \$500. The on-peak and off-peak demand charges were increased, and the energy charge was increased to reflect the revenue requirement allocated to Rate TT. The off-peak demand charge remains significantly less than the on-peak demand charge, which should continue to encourage customers to shift load from on-peak to off-peak periods. The structure of Rate TT did not change.

RATE IDENTIFIER: Rate DT, Time of Day Rate For Service at Distribution Voltage

TYPE: Large Power

Explanation of Proposal:

An overall increase of 26.57% is proposed to Rate DT to recover the allocated increase from the cost of service study.

Rationale:

The customer charges were increased from \$5 to \$7.50 for single phase service, \$10 to \$15 for three-phase service, and remain at \$100 for primary voltage service. The on-peak and off-peak demand charges were increased, and the energy charge was increased to reflect the revenue requirement allocated to Rate DT. The off-peak demand charge remains significantly less than the on-peak demand charge, which should continue to encourage customers to shift load from on-peak to off-peak periods. Although the Company prepared separate cost of service analyses for

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WORK PAPER REFERENCE NO(S): See Data Reference

SCHEDULE L
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Rate DT-Secondary Voltage and Rate DT- Primary Voltage, the charges for Rate DT were developed from the combined revenue requirements for these two rates. This methodology allowed the Company to prepare basic charges that are identical for both rates. Customers served under Rate DT-Primary receive stepped credits that reduce the on-peak demand charges. The structure of Rate DT did not change.

RATE IDENTIFIER: Rate RTP

TYPE: Real Time Pricing

Explanation of Proposal:

Changes are proposed to Rate RTP to recover increased transmission and distribution costs similarly experienced by the tariff applicable to the customer's CBL.

Rationale:

The program, charge has been increased by 22%. The program charge is significantly below the cost to serve. The components of the Energy Delivery Charges were developed by adding the respective revenue requirements of the base rates (i.e. Rates DS, DP, DT, and TT) for transmission, substations, poles, towers, fixtures, conductors, and dividing by sales at the various voltage levels to derive monthly charges. These charges were then converted to hourly charges resulting in the revised Energy Delivery Charges.

RATE IDENTIFIER: Rate RTP - M

TYPE: Real Time Pricing

Explanation of Proposal:

Changes are proposed to Rate RTP - M to recover increased transmission and distribution costs.

Rationale:

See above for Rate RTP. Charges for this schedule were modified to conform to the charges developed for Rate RTP.

RATE IDENTIFIER: Rate SL, Street Lighting Service

TYPE: Flat Rate

Explanation of Proposal:

An overall increase of about 17.51% over base rates is proposed. The rate will be frozen after December 31, 2006.

Rationale:

Rate SL has been increased by 17.51% to be consistent with the overall increase allocated to the lighting class. The Company desires to limit the availability of lights and yet still provide essential lighting services.

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RATE IDENTIFIER: Rate TL, Traffic Lighting Service

TYPE: Flat Rate

Explanation of Proposal:

An overall increase of about 20.90% over base rates is proposed.

Rationale:

Rate TL has been increased by 20.90% to be consistent with the overall increase allocated to the lighting class.

RATE IDENTIFIER: Rate OL, Outdoor Lighting Service

TYPE: Flat Rate

Explanation of Proposal:

The rates for private outdoor lighting under Rate OL reflect a proposed increase of approximately 17.59% over base rates. The rate will be frozen after December 31, 2006.

Rationale:

Rate OL has been increased by 17.59% to be consistent with the overall increase allocated to the lighting class. The Company desires to limit the availability of lights and yet still provide essential lighting services.

**RATE IDENTIFIER: Rate NSU, Street Lighting Service for
Non-Standard Units**

TYPE: Flat Rate

Explanation of Proposal:

The proposed charges reflect an overall 17.17% increase over the base rates they are superseding. The rate will be frozen after December 31, 2006.

Rationale:

Rate NSU has been increased by 17.17% to be consistent with the overall increase allocated to the lighting class. The Company desires to limit the availability of lights and yet still provide essential lighting services.

**RATE IDENTIFIER: Rate NSP, Private Outdoor Lighting
Service for Non-Standard Units**

TYPE: Flat Rate

Explanation of Proposal:

The proposed charges reflect an overall 16.63% increase over the base rates they are superseding. The rate will be frozen after December 31, 2006.

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Rationale:

Rate NSP has been increased by 16.63% to be consistent with the overall increase allocated to the lighting class. The Company desires to limit the availability of lights and yet still provide essential lighting services.

RATE IDENTIFIER: Rate SC, Street Lighting Service - Customer Owned **TYPE: Flat Rate**

Explanation of Proposal:

The proposed charges reflect an overall 24.00% increase over the base rates they are superseding. The rate will be frozen after December 31, 2006.

Rationale:

Rate SC has been increased by 24.00% to be consistent with the overall increase allocated to the lighting class. The Company desires to limit the availability of lights and yet still provide essential lighting services.

RATE IDENTIFIER: Rate SE, Street Lighting Service - Overhead Equivalent **TYPE: Flat Rate**

Explanation of Proposal:

The proposed charges reflect an overall 17.39% increase over the base rates they are superseding. The rate will be frozen after December 31, 2006.

Rationale:

Rate SE has been increased by 17.39% to be consistent with the overall increase allocated to the lighting class. The Company desires to limit the availability of lights and yet still provide essential lighting services.

RATE IDENTIFIER: Rate UOLS, Unmetered Outdoor Lighting Electric Service **TYPE: Flat Rate**

Explanation of Proposal:

The proposed charges reflect an overall 24.31% increase over the base rates they are superseding.

Rationale:

Rate UOLS has been increased by 24.31% to be consistent with the overall increase allocated to the lighting class.

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RATE IDENTIFIER: Rider IS, Interruptible Service

TYPE: Rider

Explanation of Proposal:

The Rider has been eliminated.

Rationale:

Due to the enhancement of PowerShare Program (Rider PLM, Peak Load Management Program) we propose to cancel Rider IS – Interruptible Service. There is only one customer served under this rider. Initial calculations show the customer would benefit from greater option premiums and reduced exposure to curtailment under Rider PLM.

RATE IDENTIFIER: Rider SES, Standby or Emergency Service at Distribution Voltage

TYPE: Rider

Explanation of Proposal:

The Rider has been eliminated.

Rationale:

This rider has also been rendered obsolete as Rider GSS, Generation Support Services, and our proposed Rider BDP, Backup Delivery Point Capacity Rider, provide more detailed, unbundled prices to render backup or standby services.

RATE IDENTIFIER: Rider TES, Thermal Energy Storage

TYPE: Rider

Explanation of Proposal:

The Rider has been eliminated.

Rationale:

This rider merely refers the applicant to Rider LM, Load Management Rider, for applicable pricing. Any customer shifting load, including thermal storage, is eligible to participate in pricing benefits of Rider LM. Therefore, we believe this rider is redundant and should be eliminated.

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RATE IDENTIFIER: Rider EOP – RTP, Energy Call Option Program

TYPE: Rider

Explanation of Proposal:

The Rider has been eliminated.

Rationale:

This rider sought to make call options available to RTP accounts. Full market pricing approved in 2005 for RTP, and the increase in premiums sought for the PowerShare® program, would overcompensate customers for price response. Therefore, we propose to eliminate this Rider. Customers can still respond to price under the RTP program, or receive service under the standard rate and participate in the PowerShare® program.

RATE IDENTIFIER: Rider PLM – Peak Load Management Program

TYPE: Rider

Explanation of Proposal:

The Rider has been modified to expand the availability and eliminate availability to RTP.

Rationale:

Because of the potential value of an annual program, the availability has been modified to allow the flexibility of an annual program. The availability of RTP under this program has also been eliminated. See above EOP – RTP Rationale.

RATE IDENTIFIER: Rider TCRM, Transmission Cost Recovery Mechanism

TYPE: Rider

Explanation of Proposal:

The new Rider has been proposed to allow recovery of certain transmission related charges.

Rationale:

Rider TCRM – Transmission Cost Recovery Mechanism, will allow the Company to update its transmission rates annually for recovery of all credits, charges and revenues related to congestion and financial transmission rights assessed to Duke Energy Kentucky by the applicable regional transmission organization, currently the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), or otherwise approved by the Federal Energy Regulatory Commission ("FERC").

RATE IDENTIFIER: Charge For Reconnection of Service

TYPE: Non-Energy; Flat Charge

Explanation of Proposal:

Standard reconnection charges remain at \$25, with a combined gas and electric cap of \$38. The reconnection charge for service that was disconnected at the request of the customer remains at \$25. A new charge for reconnection at the pole is set at \$65 with a combined gas and electric cap of \$90. This charge applies in situations where service was disconnected at the pole

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because the Company was unable to gain access to the meter. A new after-hours reconnection charge for connection at the meter is set at \$50, while the after-hours charge for reconnection at the pole is set at \$90. A Company employee, whose original purpose was to disconnect service, can accept a collection charge set at \$15 so the customer can avoid disconnection of service and subsequent fees.

Rationale:

The proposed rates are more in line with the Company's costs to reconnect service at the meter and pole.

**RATE IDENTIFIER: Cogeneration and Small Power Production Sale and Purchase Tariff – 100kW or Less
TYPE: Rider**

Explanation of Proposal:

The standard purchase rate is increased from \$0.0195 to \$0.03078

Rationale:

The proposed rate is in line with the Company's current production costs.

**RATE IDENTIFIER: Cogeneration and Small Power Production Sale and Purchase Tariff – Greater than 100
kW TYPE: Rider**

Explanation of Proposal:

The proposed change would allow the Company to purchase energy from cogenerators and small power producers greater than 100 kW using the locational marginal price for power purchased through the Midwest ISO day-ahead energy market, inclusive of the energy, congestion and losses charges, delivered to the Duke Energy Kentucky commercial price node.

Rationale:

The proposed change would establish a market price determined by an independent third party based on actual supply and demand conditions as indicated by participants in the Midwest ISO day-ahead energy market.

RATE IDENTIFIER: Rider GP, Green Power

TYPE: Rider

Explanation of Proposal:

Changes are proposed to Rider GP to allow customers to voluntarily designate a monthly kWh purchase level for Green Power. Each customer may voluntarily, at a minimum, purchase 200 kWh monthly with additional voluntary purchases to be made in 100 kWh increments.

Rationale:

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The proposed changes to Rider GP will allow the Company to use the amounts collected under Rider GP for the acquisition of Renewable Energy Certificates ("RECs") and Carbon Credits to promote the development of Green Power.

RATE IDENTIFIER: Rider NM, Net Metering

TYPE: Rider

Explanation of Proposal:

Changes are proposed to Rider NM's availability clause to give the Company discretion in allowing customers to be placed on Rider NM.

Rationale:

Some customers have purchased photovoltaic or wind generator systems with varying capacities that would make them ineligible for Rider NM under the current availability clause.

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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

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

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

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

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

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

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

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

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

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

4. Connection of Service.

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

5. Change of Address to Customer.

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

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

6. Successors and Assigns.

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

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

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

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

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

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

2. Company's Property and Protection Thereof.

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

3. Relocation of Facilities

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

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

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Issued:

Issued by Sandra P. Meyer, President

Effective:

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

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

RESIDENTIAL SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges:

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

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

BILLING PERIODS

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

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LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

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

2. Applicable Riders

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

The minimum charge shall be the Customer Charge shown above.

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

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

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METERING

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

DEMAND

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

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

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

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

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

POWER FACTOR ADJUSTMENT

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

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

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

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LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

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RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

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

2. Applicable Riders

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

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

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NET MONTHLY BILL (Contd.)

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

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

RATING PERIODS

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

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

METERING

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

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

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

(1)

DEMAND

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

POWER FACTOR ADJUSTMENT

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

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POWER FACTOR ADJUSTMENT

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

A. Winter Period

1. Base Rate

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

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

2. Applicable Riders (C)

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

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

The minimum charge shall be the Customer Charge stated above.

B. Summer Billing Period

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

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NET MONTHLY BILL (Contd.)

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

DEMAND

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

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

RECONNECTION CHARGE

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

LATE PAYMENT CHARGE

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

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TERMS AND CONDITIONS

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

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

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RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

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

(b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment \$0.081562 per kWh (I)

2. Applicable Riders

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

Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

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

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

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

LATE PAYMENT CHARGE

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

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SERVICE PROVISIONS

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

TERM OF SERVICE

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

SERVICE REGULATIONS

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

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RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

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

2. Applicable Riders

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

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Duke Energy Kentucky
1697-A Monmouth Street
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NET MONTHLY BILL (Contd.)

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

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

DEMAND

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

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

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

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

POWER FACTOR ADJUSTMENT

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

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

a. Continuous measurement

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

b. Testing

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

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LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

2. Applicable Riders

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

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

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NET MONTHLY BILL (Contd.)

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

RATING PERIODS

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

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

METERING

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

DEMAND

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

POWER FACTOR ADJUSTMENT

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

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

LATE PAYMENT CHARGE

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

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TERMS AND CONDITIONS

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

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

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

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

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

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**RIDER GSS
GENERATION SUPPORT SERVICE**

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Administrative Charge
The Administrative Charge shall be \$50 plus the appropriate Customer Charge.

2. Monthly Distribution Reservation Charge

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

3. Monthly Transmission Reservation Charge

a. Rate DS - Secondary Distribution Service	\$1.3153 per kW	
b. Rate DT - TOU Secondary Distribution Service	\$1.3097 per kW	(I)
c. Rate DP - Primary Distribution Service	\$1.8710 per kW	
d. Rate TT - Transmission Service	\$1.2355 per kVA	(R)

4. Monthly Ancillary Services Reservation Charge

a. Rate DS, - Secondary Distribution Service	\$0.5240 per kW	
b. Rate DT - TOU Secondary Distribution Service	\$0.5240 per kW	
c. Rate DP - Primary Distribution Service	\$0.5240 per kW	
d. Rate TT - Transmission Service	\$0.4550 per kVA	

5. Supplemental Power Service
The customer shall contract with the Company for the level of demand required for Supplemental Power Service. All Supplemental Power shall be billed under the terms and charges of the Company's applicable full service tariff schedules. All power not specifically identified and contracted by the customer as Maintenance Power or Backup Power shall be deemed to be Supplemental Power.

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NET MONTHLY BILL (Contd.)

6. Maintenance Power Service

Requirements -

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

Billing -

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

7. Backup Power Service

Requirements -

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

Billing -

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

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NET MONTHLY BILL (Contd.)

8. Monthly Reservation Charges

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

METERING

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

DEFINITIONS

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

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

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

APPLICABILITY

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

PROGRAM DESCRIPTION

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

CUSTOMER CHARGE

The following Customer Charges will be assessed:

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

(I)

PRICE QUOTES

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

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

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

COMMODITY CHARGE

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

Charge For Each kW Per Hour:

$$CC_t = MVG_t \times LAF$$

Where:

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

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COMMODITY CHARGE (Contd.)

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

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

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

ENERGY DELIVERY CHARGE

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

Charge For Each kW Per Hour:

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

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

ANCILLARY SERVICES CHARGE

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

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

Charge For Each kW Per Hour:

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

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

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METERING ADJUSTMENTS

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

APPLICABLE RIDERS

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

(D)
(C)
(N)

PROGRAM CHARGE

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

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

TERM AND CONDITIONS

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

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

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

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

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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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NET MONTHLY BILL (Contd.)

1. Base Rate

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

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

Spans of Secondary Wiring:

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

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Duke Energy Kentucky
 1697-A Monmouth Street
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NET MONTHLY BILL (Contd.)

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

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Duke Energy Kentucky
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NET MONTHLY BILL (Contd.)

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

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

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

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

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

LATE PAYMENT CHARGE

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

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TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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

SERVICE REGULATIONS

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

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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

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

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

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

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GENERAL CONDITIONS

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

LIMITED MAINTENANCE

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

SERVICE REGULATIONS

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

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**RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE**

APPLICABILITY

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

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

CONTRACT FOR SERVICE

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

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

LIGHTING HOURS

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

NET MONTHLY BILL

Computed in accordance with the following charge:

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

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LATE PAYMENT CHARGE

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

OWNERSHIP OF SERVICE LINES

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

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

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

SERVICE REGULATIONS

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

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

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

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NET MONTHLY BILL (Contd.)

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

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

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NET MONTHLY BILL (Contd.)

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

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

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

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

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

LATE PAYMENT CHARGE

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

GENERAL CONDITIONS

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

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GENERAL CONDITIONS (Contd.)

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

TERM OF SERVICE

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

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

SERVICE REGULATIONS

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

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

Issued:

Effective:

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. 66
Cancels and Supersedes
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RATE NSU

**STREET LIGHTING SERVICE
NON-STANDARD UNITS**

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

A. Company owned

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

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NET MONTHLY BILL (Contd.)

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

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

B. Customer owned

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

2. Base Fuel Cost

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

3. Applicable Riders

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

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

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

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

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

(2) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by, and at the expense of, the Company.

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GENERAL CONDITIONS (Contd.)

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

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

SERVICE REGULATIONS

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

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

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

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NET MONTHLY BILL (Contd.)

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

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

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

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

C. Flood lighting units served in overhead distribution areas:

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

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

2. Base Fuel Cost

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

3. Applicable Riders

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

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

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

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

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

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GENERAL CONDITIONS

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

SERVICE REGULATIONS

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

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RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

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NET MONTHLY BILL (Contd.)

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

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

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

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NET MONTHLY BILL (Contd.)

Customer Owned and Maintained Units

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

(I)

2. Base Fuel Cost

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

(M)

3. Applicable Riders

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

(D)
(C)
(N)

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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GENERAL CONDITIONS (Contd.)

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

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

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

SERVICE REGULATIONS

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

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RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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NET MONTHLY BILL (Contd.)

1. Base Rate

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

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

2. Base Fuel Cost

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

3. Applicable Riders (D)

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

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

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GENERAL CONDITIONS

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

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

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

SERVICE REGULATIONS

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

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Issued:

Issued by Sandra P. Meyer, President

Effective:

Schedule L-1
Page 62 of 86
Witness Responsible: J. R. Bailey

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

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Original Sheet No. 74
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RIDER IS
INTERRUPTIBLE SERVICE RIDER

(D)

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Schedule L-1
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RIDER TES

(D)

THERMAL ENERGY STORAGE RIDER

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KY.P.S.C. Electric No. 1
First Revised Sheet No. 77
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RIDER PLM

PEAK LOAD MANAGEMENT PROGRAM

AVAILABILITY

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

PROGRAM DESCRIPTION

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

SERVICE OPTIONS

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

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

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

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

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

Demand Reduction Option

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

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Demand Reduction Option (Contd.)

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

Energy Reduction Below Baseline

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

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

Generation Sell Back

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

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

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

BILLING UNDER STANDARD RATES

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

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PROGRAM EQUIPMENT

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

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

CUSTOMER GENERATION

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

TERM AND CONDITIONS

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

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

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

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RIDER EOP-RTP
ENERGY CALL OPTION PROGRAM

(D)

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Issued:

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**RIDER FAC
FUEL ADJUSTMENT CLAUSE**

(C)

APPLICABLE

In all territory service.

AVAILABILITY OF SERVICE

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

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

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

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

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

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AVAILABILITY OF SERVICE (Contd.)

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

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

Add:

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

Subtract:

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

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**RIDER TCRM
TRANSMISSION COST RECOVERY MECHANISM**

(N)

APPLICABILITY

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

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

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

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

where:

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

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RIDER BDP

(N)

BACKUP DELIVERY POINT CAPACITY RIDER

BACKUP DELIVERY POINT (TRANSMISSION/DISTRIBUTION) CAPACITY

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

NET MONTHLY BILL

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

SPECIAL TERMS AND CONDITIONS

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

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

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SPECIAL TERMS AND CONDITIONS (Contd.)

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

SERVICE REGULATIONS

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

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RIDER GP

GREEN POWER RIDER

APPLICABILITY

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

DEFINITION OF GREEN POWER

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

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

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

GREEN POWER RATE

1. Rate RS: (N)

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

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

2. All other rates:

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

NET MONTHLY BILL

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

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

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TERMS AND CONDITIONS

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

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

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RIDER NM
NET METERING RIDER

AVAILABILITY

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

DEFINITION

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

BILLING

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

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

METERING:

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

TERMS AND CONDITIONS

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

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

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TERMS AND CONDITIONS (Contd.)

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

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

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

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

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

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

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

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Appendix A
Page 1 of 1

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

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

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

Location: _____

Inverter Power Rating: _____

Inverter Manufacturer and Model Number: _____

Description of electrical installation of inverter and associated electrical equipment:

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

Or

Described as follows: _____

Requirement for Customer owned utility-interface disconnect switch:

Not required

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

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

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

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

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

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

DUKE ENERGY KENTUCKY

Customer

By: _____

By: _____

Title: _____

Title: _____

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

KY.P.S.C. Electric No. 1
First Revised Sheet No. 91
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CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

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

CHARGE

The Company may charge and collect in advance the following:

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

SERVICE REGULATIONS

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

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

Issued:

Issued by Sandra P. Meyer, President

Effective:

Duke Energy Kentucky
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Newport, Kentucky 41071

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**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-100 kW OR LESS**

APPLICABILITY

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

DEFINITIONS

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

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

OBLIGATIONS

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

STANDARDS FOR OPERATING RELIABILITY

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

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

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

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

SERVICE REGULATIONS, TERMS AND CONDITIONS

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

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

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

APPLICABILITY

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

DEFINITIONS

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

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

OBLIGATIONS

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

STANDARDS FOR OPERATING RELIABILITY

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

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

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

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

SERVICE REGULATIONS, TERMS AND CONDITIONS

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

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

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**RATE RTP
REAL TIME PRICING PROGRAM**

APPLICABILITY

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

PROGRAM DESCRIPTION

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

CUSTOMER BASELINE LOAD

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

RTP BILLING

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

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

Where:

BC = Baseline Charge
PC = Program Charge (D)

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

BASELINE CHARGE

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

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BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

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

Where:

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

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

(C)
(D)

PRICE QUOTES

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

(C)

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

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

COMMODITY CHARGE

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

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

$$\begin{aligned} \text{For kWh}_t \text{ above the CBL}_t, \quad CC_t &= \text{MVG}_t \times \text{LAF} \\ \text{For kWh}_t \text{ below the CBL}_t, \quad CC_t &= \text{MVG}_t \times 80\% \times \text{LAF} \end{aligned}$$

Where:

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

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COMMODITY CHARGE (Contd.)

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

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

ENERGY DELIVERY CHARGE

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

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

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

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

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:

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

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

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

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

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

APPLICABLE RIDERS

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

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

(N)

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PROGRAM CHARGE

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

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

SPECIAL TERM AND CONDITIONS

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

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

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

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

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

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** DSM OPT. OUT

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

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COMMUNITIES SERVED:

Alexandria
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Cold Spring
Covington

Crescent Park
Crescent Springs
Crestview
Crestview Hills

Crittenden
Dayton
Dry Ridge
Edgewood

Elsmere
Erlanger
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Florence
Fort Mitchell
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Highland Heights
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Latonia Lakes
Ludlow

Melbourne
Newport
Park Hills
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Ryland Heights
Silver Grove
Southgate
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Woodlawn

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

SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

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

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

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

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

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

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

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

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

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1697-A Monmouth Street
Newport, Kentucky 41071

SECTION I - SERVICE AGREEMENTS (Contd.)

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

4. Connection of Service.

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

5. Change of Address to Customer.

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

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

6. Successors and Assigns.

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

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Duke Energy Kentucky
1697-A Monmouth
Newport, Kentucky 41071

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

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

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

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

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

2. Company's Property and Protection Thereof.

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

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RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate
 - (a) Customer Charge \$3.73 per month (I)
 - (b) Energy Charge
 - Summer Rate
 - First 1,000 kilowatt-hours 6.562¢ per kWh (I)
 - Additional kilowatt-hours 6.873¢ per kWh (C)
 - Winter Rate
 - First 1,000 kilowatt-hours 6.562¢ per kWh (D)
 - Additional kilowatt-hours 5.059¢ per kWh
2. Fuel Cost Adjustment (D)

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (C)
3. DSM Charge (D)

All kilowatt-hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for residential service. In addition, the EAP charge shown on Rider DSMR shall be added to the monthly Customer Charge shown above.

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

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

BILLING PERIODS

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, the fuel cost adjustment charges and the DSM charge, shall not exceed 19.033 cents per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh): (C)
(D)

1. Base Rate

- (a) Customer Charge per month
 - Single Phase Service \$ 5.00 per month
 - Three Phase Service \$10.00 per month

- (b) Demand Charge
 - First 15 kilowatts \$ 0.00 per kW
 - Additional kilowatts \$ 6.53 per kW

- (c) Energy Charge
 - First 6,000 kWh 6.896¢ per kWh
 - Next 300 kWh/kW 4.210¢ per kWh (I)
 - Additional kWh 3.497¢ per kWh

2. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (D)
(C)

3. DSM Charge

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service. (D)

The minimum charge shall be the Customer Charge shown above.

For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed 11.295 cents per kilowatt-hour plus the applicable fuel cost adjustment and DSM Charges. When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services. (I)
(C)
(D)

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

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METERING

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

DEMAND

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

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

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

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

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

POWER FACTOR ADJUSTMENT

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

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

a. Continuous measurement

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

b. Testing

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

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

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Original Sheet No. 40
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LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

(a) Customer Charge			
Single Phase	\$ 5.00	per month	(I)
Three Phase	\$ 10.00	per month	
Primary Voltage Service	\$100.00	per month	

(b) Demand Charge

Summer			
On Peak kW	\$ 9.71	per kW	(I)
Off Peak kW	\$ 1.00	per kW	
Winter			
On Peak kW	\$ 8.03	per kW	
Off Peak kW	\$ 1.00	per kW	

(c) Energy Charge

All kWh	3.519¢	per kWh	(I)
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2. Fuel Adjustment Cost

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (D)
(C)

3. DSM Charge

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service. (D)

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

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1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

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

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

RATING PERIODS

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

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

METERING

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

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

First 1,000 kW of On Peak billing demand at \$0.50 per kW.
Additional kW of On Peak billing demand at \$0.35 per kW.

(I)

DEMAND

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

POWER FACTOR ADJUSTMENT

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

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

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KY.P.S.C. Electric No. 1
Original Sheet No. 41
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LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

A. Winter Period

1. Base Rate

(a) Customer Charge			
Single Phase Service	\$ 5.00	per month	(I)
Three Phase Service	\$ 10.00	per month	
Primary Voltage Service	\$100.00	per month	

(b) Demand Charge			
All kW	\$ 0.00	per kW	(D)

(c) Energy Charge			
All kWh	5.150¢	per kWh	

2. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff (C)
(N)

3. DSM Charge

All kilowatt-hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service. (D)

The minimum charge shall be the Customer Charge stated above.

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Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

B. Summer Billing Period

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

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

DEMAND

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate
 - (a) Customer Charge \$5.00 per month (I)
 - (b) Energy Charge 8.590¢ per kWh
2. Fuel Cost Adjustment (D)
All kilowatt-hours shall be subject to a fuel cost adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (C)
3. DSM Charge (N)
All kilowatt-hour shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service. (D)

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

RECONNECTION CHARGE

A charge of \$10.00 is applicable to each season to cover in part the cost of reconnection of service. (I)

LATE PAYMENT CHARGE

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

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

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

TERMS AND CONDITIONS

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

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

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1697-A Monmouth Street
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RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

(a) For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment \$0.06791 per kWh (I)

(b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment \$0.07828 per kWh (I)

2. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (D)
(C)
(N)

3. DSM Charge

All kilowatt-hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service. (D)

Minimum: \$2.50 per Fixed Load Location per month.

LATE PAYMENT CHARGE

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

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1697-A Monmouth Street
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SERVICE PROVISIONS

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

TERM OF SERVICE

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

SERVICE REGULATIONS

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

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

RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed 19.033 per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

- (a) Customer Charge
Primary Voltage Service (12.5 or 34.5 kV) \$100.00 per month
- (b) Demand Charge
All kilowatts \$ 6.08 per kW (D)
- (c) Energy Charge
First 300 kWh/kW 4.252¢ per kWh (D)
Additional kWh 3.510¢ per kWh (D)

2. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (D)
(C)
(N)

3. DSM Charge

All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider (D)

The minimum charge shall be the Customer Charge shown above.

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006.

PRIMARY VOLTAGE METERING DISCOUNT

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

DEMAND

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

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

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

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

POWER FACTOR ADJUSTMENT

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

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

a. Continuous measurement

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

b. Testing

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

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.

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006.

TERMS AND CONDITIONS

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

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

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

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

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

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

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NET MONTHLY BILL (Contd.)

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

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

RATING PERIODS

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

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

METERING

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

DEMAND

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

POWER FACTOR ADJUSTMENT

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

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

LATE PAYMENT CHARGE

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

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1697-A Monmouth Street
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TERMS AND CONDITIONS

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

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

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

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

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

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1697-A Monmouth Street
Newport, Kentucky 41071

**RIDER GSS
GENERATION SUPPORT SERVICE**

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

a. Rate DS - Secondary Distribution Service	\$ <u>2.9056</u> per kW	(R)
b. Rate DT - TOU Secondary Distribution Service	\$ <u>2.9056</u> per kW	
c. Rate DP - Primary Distribution Service	\$ <u>2.1570</u> per kW	(M)
d. Rate TT - Transmission Service	\$ <u>0.4440</u> per kVA	(R)
3. Monthly Transmission Reservation Charge

a. Rate DS - Secondary Distribution Service	\$ <u>1.0230</u> per kW	
b. Rate DT - TOU Secondary Distribution Service	\$ <u>1.0230</u> per kW	(I)
c. Rate DP - Primary Distribution Service	\$ <u>1.1990</u> per kW	
d. Rate TT - Transmission Service	\$ <u>1.2480</u> per kVA	(R)
4. Monthly Ancillary Services Reservation Charge

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

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NET MONTHLY BILL (Contd.)

6. Maintenance Power Service

Requirements -

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

Billing -

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

7. Backup Power Service

Requirements -

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

Billing -

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

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NET MONTHLY BILL (Contd.)

8. Monthly Reservation Charges

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

METERING

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

DEFINITIONS

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

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

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

APPLICABILITY

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

PROGRAM DESCRIPTION

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

CUSTOMER CHARGE

The following Customer Charges will be assessed:

Secondary Service.....\$ 10.00 per month
Primary Service\$100.00 per month
Transmission Service\$500.00 per month

(I)

PRICE QUOTES

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

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

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

COMMODITY CHARGE

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

Charge For Each kW Per Hour:

$$CC_t = MVG_t \times LAF$$

Where:

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

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COMMODITY CHARGE (Contd.)

The MVG₁ will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

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

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

ENERGY DELIVERY CHARGE

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

Charge For Each kW Per Hour:

Secondary Service	\$ <u>0.010363</u> per kW Per Hour	(I)
Primary Service	\$ <u>0.006462</u> per kW Per Hour	
Transmission Service.....	\$ <u>0.002433</u> per kW Per Hour	

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

ANCILLARY SERVICES CHARGE

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

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

Charge For Each kW Per Hour:

Secondary Delivery	\$ <u>0.001002</u> per kW Per Hour	(I)
Primary Delivery	\$ <u>0.000903</u> per kW Per Hour	
Transmission Delivery	\$ <u>0.000778</u> per kW Per Hour	

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

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METERING ADJUSTMENTS

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

DSMR CHARGE

All kWh, adjusted to reflect required metering adjustments under this rate schedule, shall be subject to application of the amount per kWh stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate (DSMR).

(D)

PROGRAM CHARGE

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

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

TERM AND CONDITIONS

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

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

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

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

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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

<u>OVERHEAD DISTRIBUTION AREA</u> Fixture Description	Lamp <u>Watt</u>	<u>kW/Unit</u>	Annual <u>kWh</u>	<u>Rate/Unit</u>	
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	<u>\$ 4.75</u>	
7,000 lumen (Open Refractor)	175	0.205	853	<u>\$ 3.66</u>	(I)
10,000 lumen	250	0.275	1,144	<u>\$ 5.11</u>	
21,000 lumen	400	0.430	1,789	<u>\$ 6.40</u>	
Sodium Vapor					
9,500 lumen	100	0.117	487	<u>\$ 5.95</u>	
9,500 lumen (Open Refractor)	100	0.117	487	<u>\$ 4.25</u>	
16,000 lumen	150	0.171	711	<u>\$ 6.16</u>	(I)
22,000 lumen	200	0.228	948	<u>\$ 7.97</u>	
50,000 lumen	400	0.471	1,959	<u>\$ 9.52</u>	
Decorative Fixtures					
Sodium Vapor					
9,500 lumen (Rectilinear)	100	0.117	487	<u>\$ 7.60</u>	
22,000 lumen (Rectilinear)	200	0.246	1,023	<u>\$ 8.67</u>	(I)
50,000 lumen (Rectilinear)	400	0.471	1,959	<u>\$10.43</u>	
50,000 lumen (Setback)	400	0.471	1,959	<u>\$17.16</u>	

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NET MONTHLY BILL (Contd.)

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

Spans of Secondary Wiring:

For each increment of 50 feet of secondary wiring beyond the first 150 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.45.

<u>UNDERGROUND DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	<u>\$ 4.75</u>	
7,000 lumen (Open Refractor)	175	0.205	853	<u>\$ 3.66</u>	
10,000 lumen	250	0.292	1,215	<u>\$ 5.11</u>	(I)
21,000 lumen	400	0.460	1,914	<u>\$ 6.40</u>	
Fixture Description					
Sodium Vapor					
9,500 lumen	100	0.117	487	<u>\$ 5.95</u>	
9,500 lumen (Open Refractor)	100	0.117	487	<u>\$ 4.25</u>	
16,000 lumen	150	0.171	711	<u>\$ 6.16</u>	(I)
22,000 lumen	200	0.228	948	<u>\$ 7.97</u>	
50,000 lumen	400	0.471	1,959	<u>\$ 9.52</u>	
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	<u>\$ 4.98</u>	
7,000 lumen (Holophane)	175	0.210	874	<u>\$ 6.61</u>	(I)
7,000 lumen (Gas Replica)	175	0.210	874	<u>\$17.04</u>	
7,000 lumen (Aspen)	175	0.210	874	<u>\$10.25</u>	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	<u>\$ 8.59</u>	
9,500 lumen (Holophane)	100	0.128	532	<u>\$ 9.30</u>	
9,500 lumen (Rectilinear)	100	0.117	487	<u>\$ 7.60</u>	
9,500 lumen (Gas Replica)	100	0.128	532	<u>\$18.30</u>	(I)
9,500 lumen (Aspen)	100	0.128	532	<u>\$10.91</u>	
22,000 lumen (Rectilinear)	200	0.246	1,023	<u>\$ 8.67</u>	
50,000 lumen (Rectilinear)	400	0.471	1,959	<u>\$10.43</u>	
50,000 lumen (Setback)	400	0.471	1,959	<u>\$17.16</u>	

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NET MONTHLY BILL (Contd.)

<u>POLE CHARGES</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
<u>Pole Description</u>			
Wood			
17 foot (Wood Laminated) (a)	W17	<u>\$ 3.80</u>	
30 foot	W30	<u>\$ 3.75</u>	(I)
35 foot	W35	<u>\$ 3.79</u>	
40 foot	W40	<u>\$ 4.55</u>	
Aluminum			
12 foot (decorative)	A12	<u>\$10.41</u>	
28 foot	A28	<u>\$ 6.00</u>	(I)
28 foot (heavy duty)	A28H	<u>\$ 6.05</u>	
30 foot (anchor base)	A30	<u>\$11.98</u>	
Fiberglass			
17 foot	F17	<u>\$ 3.80</u>	
12 foot (decorative)	F12	<u>\$11.19</u>	(I)
30 foot (bronze)	F30	<u>\$ 7.29</u>	
35 foot (bronze)	F35	<u>\$ 7.49</u>	
Steel			
27 foot (11 gauge)	S27	<u>\$ 9.84</u>	(I)
27 foot (3 gauge)	S27H	<u>\$14.83</u>	

Spans of Secondary Wiring:

For each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.65. (I)

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

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

2. **Base Fuel Cost**
All kilowatt-hours shall be subject to a charge of 1.9091¢ per kilowatt-hour reflecting the base cost of fuel. (I)
3. **Fuel Cost Adjustment**
All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. (D)
(C)
(N)

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

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GENERAL CONDITIONS

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

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

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

SERVICE REGULATIONS

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

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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

- (a) Where the Company supplies energy only, all kilowatt-hours shall be billed at 3.09 cents per kilowatt-hour; (D)
- (b) Where the Company supplies energy from a separately metered source and the Company has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at 1.80 cents per kilowatt-hour. (D)
- (c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at 4.89 cents per kilowatt-hour. (D)

2. Fuel Cost Adjustment (D)

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. (C)
(N)

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

- (1) Billing will be based on the calculated kilowatt-hour consumption taking into consideration the size and characteristics of the load.

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GENERAL CONDITIONS (Contd.)

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

LIMITED MAINTENANCE

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

SERVICE REGULATIONS

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

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**RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE**

APPLICABILITY

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

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

CONTRACT FOR SERVICE

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

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

LIGHTING HOURS

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

NET MONTHLY BILL

Computed in accordance with the following charge:

- | | | | |
|----|---|---------------|-------------------|
| 1. | Base Rate
All kWh | 3.04¢ per kWh | (I) |
| 2. | <u>Fuel Cost Adjustment</u>
<u>All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.</u> | | (D)
(C)
(N) |

LATE PAYMENT CHARGE

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

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OWNERSHIP OF SERVICE LINES

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

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

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

SERVICE REGULATIONS

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

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

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

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
Standard Fixtures (Cobra Head)				
Mercury Vapor				
7,000 lumen (Open Refractor)	175	0.205	853	<u>\$ 5.98</u>
7,000 lumen	175	0.210	874	<u>\$ 8.04</u>
10,000 lumen	250	0.292	1,215	<u>\$ 9.04</u>
21,000 lumen	400	0.460	1,914	<u>\$10.99</u>

(I)

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NET MONTHLY BILL (Contd.)

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Sodium Vapor					
9,500 lumen (Open Refractor)	100	0.117	487	<u>\$ 5.71</u>	
9,500 lumen	100	0.117	487	<u>\$ 7.70</u>	(I)
16,000 lumen	150	0.171	711	<u>\$ 8.40</u>	
22,000 lumen	200	0.228	948	<u>\$ 9.01</u>	
50,000 lumen	400	0.471	1,959	<u>\$ 9.03</u>	
Decorative Fixtures (a)					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	<u>\$ 9.96</u>	
7,000 lumen (Holophane)	175	0.210	874	<u>\$13.22</u>	
7,000 lumen (Gas Replica)	175	0.210	874	<u>\$34.08</u>	(I)
7,000 lumen (Aspen)	175	0.210	874	<u>\$20.50</u>	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	<u>\$17.18</u>	
9,500 lumen (Holophane)	100	0.128	532	<u>\$18.60</u>	
9,500 lumen (Rectilinear)	100	0.117	487	<u>\$15.20</u>	(I)
9,500 lumen (Gas Replica)	100	0.128	532	<u>\$36.60</u>	
9,500 lumen (Aspen)	100	0.128	532	<u>\$21.82</u>	
22,000 lumen (Rectilinear)	200	0.246	1,023	<u>\$17.34</u>	
50,000 lumen (Rectilinear)	400	0.471	1,959	<u>\$20.86</u>	
50,000 lumen (Setback)	400	0.471	1,959	<u>\$34.32</u>	

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

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

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

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Mercury Vapor					
21,000 lumen	400	0.460	1,914	<u>\$11.00</u>	
Sodium Vapor					
22,000 lumen	200	0.246	1,023	<u>\$ 8.81</u>	(I)
50,000 lumen	400	0.480	1,997	<u>\$ 9.66</u>	

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

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NET MONTHLY BILL (Contd.)

2. Base Fuel Cost

All kilowatt-hour shall be subject to a charge of 1.9091¢ per kilowatt-hour reflecting the base cost of fuel. (I)

3. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. (D)
(C)
(N)

LATE PAYMENT CHARGE

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

GENERAL CONDITIONS

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

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TERM OF SERVICE

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

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

SERVICE REGULATIONS

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

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RATE NSU

**STREET LIGHTING SERVICE
NON-STANDARD UNITS**

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

A. Company owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
1. Boulevard units served underground				
a. 2,500 lumen Incandescent - Series	148	0.148	616	<u>\$ 6.82</u>
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	<u>\$ 4.75</u>
2. Holophane Decorative fixture on 17 foot fiberglass pole served underground with direct buried cable				
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	<u>\$12.24</u>

(M)

The cable span charge of \$.65 per each increment of 25 feet of secondary wiring shall be added to the Rate/unit charge for each increment of secondary wiring beyond the first 25 feet from the pole base.

(I)

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	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
3. Street light units served overhead distribution				
a. 2,500 lumen Incandescent	189	0.189	786	<u>\$ 4.70</u>
b. 2,500 lumen Mercury Vapor	100	0.109	453	<u>\$ 4.95</u>
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	<u>\$ 5.79</u>

(I)

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NET MONTHLY BILL (Contd)

B. Customer owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
1. Steel boulevard units served underground with limited maintenance by Company					
a. 2,500 lumen Incandescent - Series	148	0.148	616	<u>\$ 3.58</u>	(I)
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	<u>\$ 4.55</u>	
2. Base Fuel Cost					
All kilowatt-hours shall be subject to a charge of 1.9091¢ per kilowatt-hour reflecting the base cost of fuel.					(I)
3. Fuel Cost Adjustment					
<u>All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.</u>					(D) (N) (C)

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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

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GENERAL CONDITIONS (Contd.)

- (5) Limited maintenance by the Company includes only fixture cleaning, relamping, and glassware and photo cell replacement.

SERVICE REGULATIONS

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

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
2,500 lumen Mercury, Open Refractor.....	100	0.115	478	<u>\$ 5.84</u>	(I)
2,500 lumen Mercury, Enclosed Refractor.....	100	0.115	478	<u>\$ 8.29</u>	

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

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

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
7,000 lumens Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	<u>\$10.95</u>	(I)
7,000 lumen Mercury, Mounted on a 17-foot Wood Laminated Pole (a).	175	0.205	853	<u>\$10.95</u>	
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole.	175	0.205	853	<u>\$10.01</u>	
9,500 lumen Sodium Vapor, TC 100 R.	100	0.117	487	<u>\$ 8.73</u>	

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

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NET MONTHLY BILL (Cont'd.)

C. Flood lighting units served in overhead distribution areas:

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

	Lamp Watt	kW/Fixture	Annual kWh	Rate/Unit
52,000 lumen Mercury (35-foot Wood Pole)	1,000	1.102	4,584	<u>\$16.47</u>
52,000 lumen Mercury (50-foot Wood Pole)	1,000	1.102	4,584	<u>\$19.55</u>
50,000 lumen Sodium Vapor.	400	0.471	1,959	<u>\$13.53</u>

(I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of 1.9091¢ per kilowatt-hour reflecting the base cost of fuel.

3. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff.

(D)
(C)
(N)

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

SERVICE REGULATIONS

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

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RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate	Lamp Watts	kW/Unit	Annual kWh	Rate/Unit	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$ 2.25	
10,000 lumen	250	0.275	1,144	\$ 2.66	(I)
21,000 lumen	400	0.430	1,789	\$ 3.35	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 3.46	
16,000 lumen	150	0.171	711	\$ 3.66	(I)
22,000 lumen	200	0.228	948	\$ 3.72	
50,000 lumen	400	0.471	1,959	\$ 3.89	

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NET MONTHLY BILL (Contd.)

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Decorative Fixture					
Mercury Vapor					
7,000 lumen (Holophane)	175	0.210	874	\$ 3.12	(I)
7,000 lumen (Town & Country)	175	0.205	853	\$ 3.11	
7,000 lumen (Gas Light Replica)	175	0.210	874	\$ 3.12	(C)
7,000 lumen (Aspen)	175	0.210	874	\$ 3.12	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$ 3.47	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 3.47	(I)
9,500 lumen (Aspen)	100	0.128	532	\$ 3.58	
9,500 lumen (Holophane)	100	0.128	532	\$ 3.58	
9,500 lumen (Gas Light Replica)	100	0.128	532	\$ 3.58	(C)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 3.92	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$ 4.14	

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

<u>Pole Description</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
Wood			
30 foot	W30	\$3.75	
35 foot	W35	\$3.79	
40 foot	W40	\$4.54	(I)

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be 3.04¢ per kilowatt-hour which includes the base fuel cost rate stated below. The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out. (I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of 1.9091¢ per kilowatt-hour reflecting the base cost of fuel.

3. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. (D)
(C)
(N)

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LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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

SERVICE REGULATIONS

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

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RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
Decorative Fixtures				
<u>Mercury Vapor</u>				
7,000 lumen (Town & Country)	175	0.205	853	<u>\$4.75</u>
7,000 lumen (Holophane)	175	0.210	874	<u>\$4.75</u>
7,000 lumen (Gas Replica)	175	0.210	874	<u>\$4.75</u>
7,000 lumen (Aspen)	175	0.210	874	<u>\$4.75</u>
<u>Sodium Vapor</u>				
9,500 lumen (Town & Country)	100	0.117	487	<u>\$5.95</u>
9,500 lumen (Holophane)	100	0.128	532	<u>\$5.95</u>
9,500 lumen (Rectilinear)	100	0.117	487	<u>\$5.95</u>
9,500 lumen (Gas Replica)	100	0.128	532	<u>\$5.95</u>
9,500 lumen (Aspen)	100	0.128	532	<u>\$5.95</u>
22,000 lumen (Rectilinear)	200	0.246	1,023	<u>\$7.97</u>
50,000 lumen (Rectilinear)	400	0.471	1,959	<u>\$9.52</u>
50,000 lumen (Setback)	400	0.471	1,959	<u>\$9.52</u>

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

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of 1.9091¢ per kilowatt-hour reflecting the base cost of fuel.

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NET MONTHLY BILL (Contd.)

3. Fuel Cost Adjustment

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff.

(D)
(C)

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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

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GENERAL CONDITIONS (Contd.)

- (7) The contribution only provides for replacement of these facilities due to occasional damage or premature malfunction. It does not cover replacement at end of life.

SERVICE REGULATIONS

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

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RIDER SES

STANDBY OR EMERGENCY SERVICE

(D)

APPLICABILITY

Applicable to electric service where facilities of suitable voltage and adequate capacity are adjacent to the premise to be served, for standby or emergency purposes furnished to a customer with private generating plant under a general service rate available in the area, under contract for a specified kilowatt demand.

A demand meter will be set in all cases.

TYPE OF SERVICE

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

NET MONTHLY BILL

The Net Monthly Bill will be computed under the applicable standard rate.

Minimum: The minimum charge will not be less than \$3.25 per kilowatt of contract demand or actual demand established during the calendar year whichever is higher.

SERVICE REGULATIONS

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

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RIDER IS

(D)

INTERRUPTIBLE SERVICE RIDER

APPLICABILITY

Applicable to customers receiving service under the provisions of either Rate DS, Service at Distribution Voltage, or Rate TS, Service at Transmission Voltage. In addition, the customer is required to: (1) have had an actual demand of not less than one thousand (1,000) kilowatts in each of the twelve (12) months preceding application for this rider; (2) demonstrate to the Company's satisfaction that a minimum electric load of one thousand (1,000) kilowatts is available for interruption at the discretion and direction of the Company; (3) enter into a written Service Agreement with the Company which Service Agreement shall specify, among other rules and regulations, the amount of interruptible power load and firm power load, and the maximum annual hours of interruption; and, (4) demonstrate to the Company's satisfaction that the interruptible power load can be interrupted and interrupted immediately when directed by the Company for fourteen (14) consecutive hours during any twenty-four (24) hour period.

NET MONTHLY BILL

Computed in accordance with the provisions of either Rate DS or Rate TS except there shall be an interruptible demand credit computed in accordance with one of the following provisions:

<u>Maximum Annual Hours of Interruption</u>	<u>Demand Credit per kilowatt of Interruptible Load</u>
<u>225</u>	<u>\$0.81</u>
<u>300</u>	<u>1.07</u>
<u>375</u>	<u>1.32</u>
<u>450</u>	<u>1.62</u>
<u>525</u>	<u>1.87</u>
<u>600</u>	<u>2.13</u>
<u>675</u>	<u>2.38</u>

Failure by the customer to comply with each interruption order of the Company shall be considered as use of unauthorized power which shall be billed at the rate of \$5.00 per kilowatt based upon the highest fifteen (15) minute demand created during the period for which the customer was notified to reduce the level of power load.

In addition, the "Net Monthly Bill" shall be computed in accordance with the provisions of the applicable tariff, either Rate DS or Rate TS, exclusive of the interruptible demand credit. Determination of compliance by the customer shall be made solely by the Company based upon the recordings of installed metering devices.

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TERMS AND CONDITIONS

The interruptible power load will be determined by the Company based upon the customer's current and historic operations reflected in the customer's recorded usage during potential periods of interruption.

The interruptible demand credit may be discontinued by the Company, upon thirty (30) days written notice to the customer in the event that the customer fails to effectuate the interruption of power during an interruptible period for two (2) consecutive billing periods.

The term of service for the Interruptible Service Rider shall be for a minimum period of one (1) year and shall continue in effect thereafter until terminated by the Company or the customer upon ninety (90) days written notice.

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

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RIDER TES

(D)

THERMAL ENERGY STORAGE RIDER

APPLICABILITY

Applicable to customers who have installed a thermal storage cooling system and enter into a service agreement with the Company which will specify, among other terms and conditions, the kilowatt load to be shifted to the off peak period.

NET MONTHLY BILL

The Net Monthly Bill shall be computed in accordance with the provisions of the respective distribution service tariff, transmission service tariff, or as provided for by Rider LM, Load Management Rider.

BILLING DEMAND

The Company will utilize the actual demand established during the on peak period for monthly billing purposes. In the event the customer's equipment malfunctions during the off peak period and impacts the billing demand, an adjustment to the billing demand may be made, at the Company's discretion.

TERMS AND CONDITIONS

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 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 holiday occurs on a Sunday, the following Monday is considered a holiday.

The summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September.

A thermal storage cooling system is defined as a system utilizing heating, ventilating, and air conditioning (HVAC) equipment to accumulate energy in a body or system in the form of sensible heat (temperature rise) or latent heat (a change of phase). The stored energy is subsequently used to provide process cooling or space conditioning during the Company's on peak hours instead of operating traditional HVAC equipment.

Customer shall provide Company with access to customer's thermal storage cooling system for purposes of verifying that the system is well maintained and reliable.

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 and on file with the Kentucky Public Service Commission, as provided by law.

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RIDER PLM

PEAK LOAD MANAGEMENT PROGRAM

AVAILABILITY

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

PROGRAM DESCRIPTION

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

SERVICE OPTIONS

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

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

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

The specific hours for the PLM service option will be mutually agreed upon between Customer and Company and specified in the service agreement. ~~The targeted hours for the PLM Program will generally be between 11:00 A.M. and 8:00 P.M., Monday through Friday, starting June 1 and ending September 30.~~

(D)

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

Demand Reduction Option

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

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Demand Reduction Option (Contd.)

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

Energy Reduction Below Baseline

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

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

Generation Sell Back

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

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

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

BILLING UNDER STANDARD RATES

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

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BILLING UNDER RATE RTP

~~Customers served under Rate RTP will be billed for all demand and energy used under the terms and conditions and at the rates and charges such Rider. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement. During a notice period under this Rider, Customer's RTP billing will be adjusted to equate any credits to those outlined in the PLM service agreement.~~

(D)

PROGRAM EQUIPMENT

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

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

CUSTOMER GENERATION

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

TERM AND CONDITIONS

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

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

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

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

(D)

AVAILABILITY

Available to Customers participating in Company's Real Time Pricing Pilot Program. Except as provided in this Rider, all the terms and conditions of Rate RTP shall be in effect. Customers whose billing period maximum 15-minute demands are less than 500 kilowatts will be eligible to participate in the Program by paying the incremental cost of installing the required metering. Customers will enter into a supplemental written agreement that specifies the terms and conditions of the Energy Call Option Program.

PROGRAM DESCRIPTION

Definitions

"Buy-Out" shall mean Customer's election to purchase incremental energy (Buy-Out Energy) in lieu of reducing load, if such Buy-Out Energy is available.

"Buy-Out Costs " shall mean the actual hourly marginal cost plus a transaction fee of ten (10) percent.

"Call Option" shall mean the Company's right to exercise its option to purchase energy from Customer at the agreed upon Strike Price. The Call Option cannot be exercised until the Company's marginal operating costs are projected to be equal to or greater than the Strike Price.

"Marginal Costs" shall mean, with respect to internal generating resources, the incremental cost of electrical energy from fuel, fuel handling, start-up, emission allowances, operation, maintenance, taxes, transmission and distribution electrical energy losses, regulatory commission charges, and other expenses that are directly incurred by Company by reason of its generation of such electrical energy and that otherwise would not have been incurred by Company. "Marginal Costs" shall mean, with respect to third-party purchases (including third-party purchases designated by Customer), the total amount paid therefor by Company that otherwise would not have been paid by Company, including the amount paid for emission allowances, transmission and distribution electrical energy losses, taxes, and regulatory commission charges related to such transaction. Taxes shall mean any federal, state or local taxes incurred in connection with either the sale or production of such electrical energy.

"Option Load " shall mean the amount of load to be sold back to Company during the Call Option under the terms and conditions outlined in this Rider.

"Option Energy " shall mean the amount of energy to be sold back to Company during the Call Option under the terms and conditions outlined in this Rider.

"Strike Price" shall mean the price at which the Company may invoke its Call Option to purchase energy from Customer and is equivalent to Company's expected marginal operating costs.

Call Option

Customers who participate in the Energy Call Option Program agree to provide Company with a Call Option to sell energy back to Company at an agreed to Strike Price. Customers participating in the Energy Call Option Program agree upon notification by Company to limit their energy consumption to (a) a Contracted Load Level or (b) provide a specified amount of Contracted Load Reduction.

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PROGRAM DESCRIPTION (Contd.)

In exchange, Customers will receive a fixed monthly Option Payment in the form of a credit on their electric bill based on the contracted amount of Option Load to be supplied and the Strike Price selected by the Customer.

In addition, when such Call Option is exercised, the customer will receive an additional credit on their electric bill based on the Option Energy times the Strike Price.

Buy-Out Service

If incremental energy is available, Customers will have the choice to Buy-Out of the Call Option by paying the Buy-Out Cost during such Call Option for all energy used above the Contracted Load Level or for all Contracted Load Reduction not supplied. However, if the system becomes constrained whereby incremental energy is not available, Customer must reduce usage or be billed for all energy supplied/not supplied at a rate of \$3.50 per kilowatt-hour.

OPTION LOAD SELECTION

The amount of Option Load and Strike Price selected by Customer will be mutually agreed to by the Customer and Company and shall be specified in the supplemental written agreement.

MONTHLY OPTION PAYMENT

Customers will receive a monthly credit on their electric bill based on the amount of Option Load and the Strike Price selected. The option payment will be based on the approximate market value of Call Options in the wholesale market, less program administrative costs, for the upcoming contract period as determined by Company.

CALL OPTION HOURS

The Call Option will generally occur when the Company's hourly marginal operating costs are projected to be equal to or greater than the Strike Price. The Company, in its sole judgment, shall determine if such Call Option will be issued. The Call Option will be limited to weekdays during the months of June through September, excluding holidays. When such Call Option is exercised, it shall be for the eight hour period beginning at 12:00 noon and ending at 8:00 p.m. The number of Call Options exercised will be limited to one per day for such eight hour period. Company and Customer may agree by contract on alternative arrangements regarding start and end times for the exercise of Call Options.

Independence Day and Labor Day shall be considered holidays for purposes of this Rider.

TERM OF CALL OPTION

The Call Option will be in effect for a period of one (1) year as designated by the Company. Company and Customer may mutually agree to enter into additional one year Call Options.

CUSTOMER OBLIGATIONS

Upon notification by Company, Customer must reduce electrical usage by either (a) reducing electrical usage to a specified level (Contracted Load Level) or by, (b) providing a specified amount of load reduction (Contracted Load Reduction). These quantities will be specified in the supplemental agreement and will be used to establish the amount of Option Load.

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BUY-OUT SERVICE

If incremental generating resources are available either from Company owned capacity and/or from third-party purchases during the Call Option, Customers may continue to purchase Buy-Out Energy. Customers electing to purchase Buy-Out Energy will be automatically charged for all energy used above the Contracted Load Level or for the Contracted Load Reduction not supplied during such Call Option at the Buy-Out Cost for such time period. Company will supply estimates of the hourly Buy-Out Costs based on the day-ahead prices provided under Rate RTP.

In the event that Company owned capacity is not available, Company will use its best efforts to procure Buy-Out Energy on Customer's behalf in order to avoid undue interruption of electric service. Provided, however, Company's obligation to search for Buy-Out Energy from third-party purchases will be limited to utility systems directly interconnected with the Company's Transmission System pursuant to rate schedules on file with and accepted by the Federal Energy Regulatory Commission.

In the event of a system emergency, system instability or other circumstances under which no Buy-Out Energy is available from either Company generating resources or third-party purchases, Customer must reduce load either to the Contracted Load Level or by the Contracted Load Reduction amount or be billed for all energy used above the Contracted Load Level or below the Contracted Load Reduction amount at a rate \$3.50 per kilowatt-hour.

DESIGNATED BUY-OUT ENERGY

Customers will have the choice to pre-designate third-party purchases to supply the buy-out energy (Designated Buy-Out Energy). The following terms and conditions will be applicable to such Designated Buy-Out Energy.

1. Customer will pay the Buy-Out Costs, including the transaction fee, associated with such Designated Buy-Out Energy.
2. In the event of a system emergency, Company shall have the right to divert such Designated Buy-Out Energy to maintain service to firm service Customers.
3. Such Designated Buy-Out Energy shall be subject to the availability of sufficient transmission capacity to accommodate the purchase of such Designated Buy-Out Energy. In the event the Company's Transmission System is capable of importing only a portion of the requested Designated Buy-Out Energy, the Company will use its best efforts to fairly apportion available Designated Buy-Out Energy between Customers which have requested it.
4. In the event that the designated third-party source fails to deliver the Designated Buy-Out Energy, Customer will be billed for all energy used above the Contract Load Level or for the Contracted Load Reduction not supplied during such Call Option at the Company's Buy-Out Cost. If Buy-Out Energy is not available, Customer must reduce load either to the Contracted Load Level or by the Contracted Load Reduction amount or be billed for all energy used above the Contracted Load Level or below the Contracted Load Reduction amount at a rate \$3.50 per kilowatt-hour.
5. Any Buy-Out Energy transactions designated by the Customer will be coordinated with the Company sufficiently in advance, as determined by Company, of the commencement date thereof to accommodate the Company's control area scheduling in accordance with applicable reliability council guidelines and interconnection agreements with the delivering utility.

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DESIGNATED BUY-OUT ENERGY (Contd.)

6. The coordination of the Designated Buy-Out Energy will include a written application that includes the following:
 - (a) The identity, address, and telephone number of Customer; The name and title of the contact person for the Customer;
 - (b) The amount of Buy-Out Energy, including demand and energy estimates;
 - (c) The third-party, including name, address, telephone number, and contact person from which the Buy-Out Energy will be supplied;
 - (d) The transmission path(s) to be used to deliver the power to Company's interconnection point(s); and
 - (e) Such other information or studies as may be required by the Company consistent with the information routinely used by Company for system planning.
7. A scheduling fee of \$100 will be billed for each day that Designated Buy-Out Energy from a third-party has been scheduled for delivery during a requested Call Option. An additional fee of \$100 will be billed for each request to change the scheduled Designated Buy-Out Energy up to a maximum of \$1000 per day.
8. If the Designate Buy-Out Energy exceeds Customer's actual Buy-Out Energy requirements in any given hour, Company shall bill Customer for such excess Designated Buy-Out Energy and provide a billing credit for any Out-of-Pocket Costs avoided by Company from the use of such excess Designated Buy-Out Energy; provided, however, that such credit shall not exceed the cost of such excess Designated Buy-Out Energy.
9. If the Designated Buy-Out Energy is not sufficient to meet Customer's actual Buy-Out Energy requirements in any given hour, Company shall bill Customer for such deficient Designated Buy-Out Energy at Company's Buy-Out Energy cost, if such Buy-Out Energy is available.

CALL OPTION NOTICE

Company will give Customers as much advance notice of a Call Option as may be reasonably practicable, but never less than by 3:00 p.m. of the previous day. Company will keep Customers advised of the probability of issuing a Call Option.

BUY-OUT NOTICE

Company will give Customers as much advance notice of the unavailability of Buy-Out Energy as may be reasonably practicable, but never less than one hour.

NOTIFICATION

Company will provide the communication technology to be used to notify Customer of a Call Option, the projected price of Buy-Out Energy, any system constraints, and Customer's notification of election to buy through the Call Option.

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BILLING

Customers will be billed for all demand and energy used under the terms and conditions and at the rates and charges of Rate RTP. In addition, Customers will receive a credit on their electric bill for participation in the Program, based on the load and strike price selected by Customer. Such Credit will be distributed to Customer in equal installments on their electric bills issued during the months of June through September. When Call Options are exercised, the customer will (a) receive an additional credit based on the Option Energy times the Strike Price and (b) be charged the Hourly RTP for Option Energy actually purchased by the Company to equate the price of the Option Energy to the Strike Price. If Buy-Out Energy is purchased by the Customer, Customer will be charged the increment difference between the Buy-Out Costs and the actual Hourly RTP.

CUSTOMER GENERATION

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

Company reserve the right to install metering to measure the energy output of the Generator and/or any applicable end-uses in order to verify the Contracted Load Reduction. Customer will provide suitable access and a suitable location for the installation of such metering equipment. The Option Payment will be adjusted to reflect the incremental cost of such metering and any additional administrative costs.

LIMITATIONS AND EXCLUSIONS

Participation in the Energy Call Option Program will not affect Customer's obligations for electric service under Rate RTP.

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

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

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RIDER F

FUEL COST ADJUSTMENT

(C)

Whenever the average monthly cost of fuel charged by the Company's electrical energy supplier is greater than or less than the cost of fuel per kilowatt-hour of sales established in the base period, there shall be added to or subtracted from the net monthly bill to which this Rider is applicable, an amount determined by multiplying the number of kilowatt-hours consumed by the customer during the period for which the bill is rendered by a FUEL COST ADJUSTMENT.

The Fuel Cost Adjustment is expressed in a formula as follows:

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

where F is the fuel cost in the base (b) and current (m) periods and S is sales in the base (b) and current (m) periods.

The Fuel Costs (F) shall be the most recent actual monthly cost of:

- (a) the actual identifiable fossil and nuclear fuel costs associated with energy purchased; and less
- (b) the cost of fossil fuel recovered through inter-system sales.

Sales (S) shall be all kWh's sold, including Company use but excluding inter-system sales. Whenever energy losses for any twelve month period ending with the current month's Fuel Cost Adjustment determination exceed ten (10) percent, Sales shall be adjusted to reflect energy losses of ten (10) percent.

It has been determined that the base period fuel cost [F(b)/S(b)], as of August 1, 1983 is 1.9091 cents per kilowatt-hour.

Notwithstanding the above Fuel Cost Adjustment provisions, the Company's FAC rate shall be fixed at (0.2525) cents per kilowatt-hour effective with Billing Cycle 1, June 2001. This FAC rate shall continue in effect until the later of December 31, 2003 or the effective date of the Company's next general retail rate case.

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RIDER GP

GREEN POWER RIDER

APPLICABILITY

Applicable to all customers who want to contribute to a Company-sponsored "Green Power" fund.
The term of this pilot program is three (3) years.

(D)
(C)

DEFINITION OF GREEN POWER

Green Power includes energy generated from environmentally friendly sources, including, but not limited to: hydroelectric generation, photovoltaic generation, solar thermal generation, wind generation, biomass generation, and methane recovery.

(C)
(D)

NET MONTHLY BILL

Customers who participate in this Rider will be billed for electric service under all standard applicable tariffs and riders. The customer's contribution to the Green Power fund will be added to the customer's bill for electric service.

(D)

TERMS AND CONDITIONS

The Customer shall enter into a written service agreement with the Company that shall specify the monthly amount that the Customer will contribute to the Green Power fund. The contribution amount must be in whole dollars with one dollar (\$1.00) being the minimum contribution allowed. Funds collected through Rider GP will be used to purchase power from environmentally friendly sources as described in the DEFINITION OF GREEN POWER section. As sufficient amounts are collected in the Green Power fund to cover the costs of purchasing and also transmitting such electric power, the Company will purchase electric power generated from environmentally friendly sources. After three (3) years, if the contributions collected have been insufficient for ULH&P to purchase or develop Green Power energy sources, the monies contributed will be refunded to respective customers including six (6) percent annualized simple interest. The Company will file with the Commission on a semi-annual basis a report which shows the number of participants, amount of funds collected in the Green Power fund and the expenditures made during the preceding six month period as contemplated in this Rider.

(D)
(C)

The term of the service agreement will be for a minimum of one year.

(D)

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

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RIDER NM
NET METERING RIDER

AVAILABILITY

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

DEFINITION

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

BILLING

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

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

METERING:

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

TERMS AND CONDITIONS

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

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

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TERMS AND CONDITIONS (Continued)

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

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

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

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

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

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

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

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Ky.P.S.C. Electric No. 4
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Appendix A
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INTERCONNECTION AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF PHOTOVOLTAIC EQUIPMENT 15 KW OR SMALLER

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

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

Location: _____

Inverter Power Rating: _____

Inverter Manufacturer and Model Number: _____

Description of electrical installation of inverter and associated electrical equipment:

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

Or

Described as follows: _____

Requirement for Customer owned utility-interface disconnect switch:

Not required

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

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

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

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

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

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

DUKE ENERGY KENTUCKY

Customer

By: _____

By: _____

Title: _____

Title: _____

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Newport, Kentucky 41071

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CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

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

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for electricity used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

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 March 30, 2006 in Case No. 2006-00024.

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KY. P.S.C. Electric No. 1
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**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-100 kW OR LESS**

APPLICABILITY

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

DEFINITIONS

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

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

OBLIGATIONS

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

STANDARDS FOR OPERATING RELIABILITY

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

RATE SCHEDULES

Rates for Purchases from qualifying facilities:

Purchase Rate shall be 1.95¢/kWh for all kilowatt-hours delivered. (I)

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

Issued by authority of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006.

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SERVICE REGULATIONS, TERMS AND CONDITIONS

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

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

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

APPLICABILITY

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

DEFINITIONS

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

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

OBLIGATIONS

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

STANDARDS FOR OPERATING RELIABILITY

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

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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

The Purchase Rate for all kilowatt-hours delivered shall be determined according to the standard calculation of avoided cost as set forth herein. (C)

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

Calculation Of Avoided Cost

The methodology to determine avoided cost involves the use of the Electric Generation Expansion Analysis System (EGEAS) to develop differential long run marginal costs between the Duke Energy Ohio/Duke Energy Kentucky's current optimum base case generation expansion plan and an optimum expansion plan including the QF. The key feature of the methodology is the complete reoptimization of the base case generation expansion plan including capital costs, fuel cost, and operation and maintenance expenses to insure that the ratepayer will remain indifferent toward the capacity and energy cost of any cogenerator or small power producer. (D)

EGEAS is a proprietary generation expansion model written by the Massachusetts Institute of Technology under contract to the Electric Power Research Institute. The model uses a technique called dynamic programming to devise the optimum generation expansion plan. The dynamic programming module typically tests over 1,000 different generation expansion plans in arriving at the single best plan.

The first step is the preparation of a base case using the Duke Energy Ohio/Duke Energy Kentucky's current generation expansion plan. A change case is then prepared which incorporates both the technical characteristics including unit capacity and reliability and the duration of the contract of the qualifying facility (QF). With the QF entered as a committed unit, the EGEAS model reoptimizes the generation expansion plan by adjusting both utility unit sizes and timing to find the new least cost strategy. By specifying the cogenerator as a zero cost, must run source of energy, the model accumulates all long run marginal cost differences between the base case and the change case. Finally a levelized annuity based on the length of contract is calculated from the long run marginal cost. Transmission costs are added to yield the total avoided cost. The total avoided cost is then divided into capacity and energy components by subtracting the marginal energy cost from the total cost. The remainder is the avoided capacity cost. The method assumes that the avoided cost and thus the levelized payment to the qualifying facility begins on the commercial operation date of the QF.

Further explanation of this tariff and methodology can be obtained from the Company.

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RATE SCHEDULES (Contd.)

(D)

Sample Rates

To illustrate the methodology, Table 1 below illustrates the results of applying the avoided cost calculation to a cogenerator whose capacity is 100 MW and whose availability is 86%. The actual credit depends on the capacity, availability and contract length of the prospective QF. The minimum capacity required to qualify for the capacity component is 1.5 MW.

<u>Cogen/Spp Contract Length</u>	<u>Capacity Component</u>	<u>Weighted Energy Component</u>	<u>Total Cogen/Spp Credit (¢/kWh All Hours)</u>
<u>5 Yr.</u>	<u>0.81¢/kWh</u>	<u>1.95¢/kWh</u>	<u>2.76¢/kWh</u>
<u>10 Yr.</u>	<u>1.16¢/kWh</u>	<u>1.95¢/kWh</u>	<u>3.11¢/kWh</u>
<u>15 Yr.</u>	<u>1.63¢/kWh</u>	<u>1.95¢/kWh</u>	<u>3.58¢/kWh</u>
<u>20 Yr.</u>	<u>2.92¢/kWh</u>	<u>1.95¢/kWh</u>	<u>4.87¢/kWh</u>

SERVICE REGULATIONS, TERMS AND CONDITIONS

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

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

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**RATE RTP
REAL TIME PRICING PROGRAM**

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis through December 31, 2006. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (C)

PROGRAM DESCRIPTION

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

CUSTOMER BASELINE LOAD

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

RTP BILLING

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

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

Where:

- BC = Baseline Charge
- PC = Program Charge (D)
- DSMR = Rider DSMR Charge
- CC_t = Commodity Charge for hour t
- ED_t = Energy Delivery Charge for hour t
- ASC_t = Ancillary Services Charge for hour t
- AL_t = Customer Actual Load for hour t
- CBL_t = Customer Baseline Load in hour t
- n = total number of hours in the billing period
- t = an hour in the billing period

BASELINE CHARGE

The Baseline Charge is independent of Customer's currently monthly usage, and is designed to achieve bill neutrality with the Customer's standard offer tariff if no change in electricity usage pattern occurs (less applicable program charges). The Baseline Charge is calculated at the end of the billing period and changes each billing period to maintain bill neutrality for a Customer's CBL.

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BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

$$BC = (\text{Standard Bill @ CBL})$$

Where:

BC = Baseline Charge
Standard Bill @ CBL = Customer's bill for a specific month on the applicable Rate Schedule including applicable Standard Contract Riders using the CBL to establish the applicable billing determinants.

The CBL shall be adjusted to reflect applicable metering adjustments under the Rate Schedule. The DSMR charge shall be excluded from the calculation of the Baseline Charge. (D)

PRICE QUOTES

The Company will send to Customer, by 3:00 p.m. each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge. (C)

The Company may send more than one day ahead Price Quotes for weekends and holidays identified in Company's tariffs. The Company may revise these prices by 3:00 p.m. the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is Customer's responsibility to inform Company of any failure to receive the Price Quotes by 5:00 p.m. the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL:

For kWh_t above the CBL_t, $CC_t = \text{MVG}_t \times \text{LAF}$
For kWh_t below the CBL_t, $CC_t = \text{MVG}_t \times 80\% \times \text{LAF}$

Where:

LAF = loss adjustment factor
= 1.0530 for Rate TS
= 1.0800 for Rate DP
= 1.1100 for Rate DS
MVG_t = Market Value Of Generation As Determined By Company for hour t

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

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ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge (Credit) shall be applied on a hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Service	\$0.004800 per kW Per Hour
Primary Service	\$0.004600 per kW Per Hour
Transmission Service	\$0.001600 per kW Per Hour

(I)

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:
Scheduling, System Control & Dispatch
Reactive and Voltage Control
Regulation and Frequency Response
Spinning Reserve
Supplemental Reserve

The applicable hourly Ancillary Services Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Delivery.....	\$0.000760 per kW Per Hour
Primary Delivery.....	\$0.000740 per kW Per Hour
Transmission Delivery	\$0.000721 per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

DSMR Charge

All kWh, adjusted to reflect required metering adjustments under this rate schedule, shall be subject to application of the amount per kWh stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate (DSMR).

(D)

PROGRAM CHARGE

Company will be provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$150.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under t his Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

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SPECIAL TERM AND CONDITIONS

Except as provided in this Rate RTP, all terms, conditions, rates, and charges outlined in the Standard Rate Schedule will apply. Participation in the RTP Program will not affect Customer's obligations for electric service under the Standard Rate Schedule.

Customers receiving service under Rider IS or a special contract that contains an interruptible service provision will be eligible to participate in the RTP Program. Adjustments will be made to the CBL to reflect the interruptible service. (D)

Customers who terminate their service agreement under this Rider RTP after the initial one (1) year term shall be ineligible to return to the program for twelve (12) months from the termination date.

The primary term of service is one (1) year consisting of a consecutive twelve month period.

Customers returning to the standard tariff shall have any historical demands in excess of the CBL, waived for purposes of calculating applicable billing demands.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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INDEX TO APPLICABLE ELECTRIC TARIFF SCHEDULES AND COMMUNITIES SERVED

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Newport, Kentucky 41071

SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

When a prospective customer desires electric service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

2. Customer's Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any electric service for the purpose mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of electricity.
- (d) Use of electricity, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

When a dangerous condition is found to exist on the customer's or applicant's premises, the electric service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within twenty-four (24) hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

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SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

4. Connection of Service.

Except as provided in SECTION 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and the Commission's regulations have been met. (C)

5. Change of Address to Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three days, to discontinue service.

If Customer moves to an address at which he requires electric service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have ~~has~~ service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice. (C)

6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors of administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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Duke Energy Kentucky
1697-A Monmouth
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 23
Cancels and Supersedes
Original Sheet No. 23
Page 1 of 1

SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters, or transformers, on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service drop to Customer's service terminals.

Company installs its overhead service drop, supplies one set of service drop attachment fittings and makes connection to Customer's service terminals.

The rates for each class of service provided for in the Rate Schedules contemplate the furnishing of service to one location or premise through one standard service connection. Where Customer is receiving service through more than one standard service connection, Company will calculate and render a separate bill for service furnished through each service connection.

Subject to the rules, conditions and riders covering the installation of service connections and extensions, Company will make one standard service connection to Customer's installation; if three phase service is required an additional connection is necessary, both will be considered as one standard service connection.

2. Company's Property and Protection Thereof.

All meters, and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

3. Relocation of Facilities

When a customer or private party requests the Company to relocate the Company's facilities or a customer's service entrance wiring, such requesting party shall pay all expenses related to such relocation.

(N)

When the Company relocates its facilities or a customer's service entrance wiring at the request of a governmental entity (or Administrating Agency) and if the relocation was related to a project financed through transportation improvement district funding, joint economic development district funding, tax increment funding, or similar quasi-public funding, then the governmental entity (or Administrating Agency) shall pay for the cost of relocating Company's facilities in direct proportion to the contributions received from the other funding sources.

(N)

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Duke Energy Kentucky
1697-A Monmouth Street
Covington, Kentucky 41071

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to electric service other than three phase service, for all domestic purposes in private residences, single occupancy apartments and separately metered common use areas of multi-occupancy buildings in the entire territory of the Company where distribution lines are adjacent to the premises to be served.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multi-occupancy building are served through one meter and the common use area is metered separately, the kilowatt-hour rate will be applied on a "per residence" or "per apartment" basis, however, the customer charge will be based on the number of installed meters.

Where a portion of a residential service is used for purposes of a commercial or public character, Rate DS, Service At Distribution Voltage, is applicable to all service. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this Rate will be applied to the residential service, if the service qualifies hereunder.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

- | | | | |
|---|----------------------|-----------|-----|
| 1. Base Rate | | | |
| (a) Customer Charge | \$5.00 | per month | (I) |
| (b) Energy Charge | | | |
| All kilowatt hours Summer Rate | \$0.081299 | per kWh | |
| First 1,000 kilowatt hours | \$0.0 | per kWh | (I) |
| — Additional kilowatt hours | \$0.06873 | per kWh | (C) |
| — Winter Rate | | | |
| First 1,000 kilowatt hours | \$0.06562 | per kWh | (D) |
| — Additional kilowatt hours | \$0.05059 | per kWh | (D) |
| 2. Fuel Cost Adjustment <u>Applicable Riders</u> | | | (D) |
| All kilowatt hours shall be subject to an adjustment per kilowatt-hour in accordance with "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are | | | |
| applicable pursuant to the specific terms contained within each rider: | | | |
| Sheet No. 78, Rider DSMR, Demand Side Management Rider | | | |
| Sheet No. 80, Rider FAC, Fuel Adjustment Clause | | | |
| Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric | | | |
| Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism | | | |

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Duke Energy Kentucky
1697-A Monmouth Street
Covington, Kentucky 41071

NET MONTHLY BILL (Contd.)

3. ~~DSM Charge~~

~~All kilowatt-hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for residential service. In addition, the EAP charge shown on Rider DSMR shall be added to the monthly Customer Charge shown above.~~ (D)

The minimum charge shall be the Customer Charge as shown above.

BILLING PERIODS

For purposes of the administration of the above Base Rate charges, the summer period is that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

This rate is available upon application in accordance with the Company's Service Regulations.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at the Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, and all applicable riders, the fuel cost adjustment charges and the DSM charge, shall not exceed \$0.235249 per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

(C)
(D)

1. Base Rate

(a) Customer Charge per month

Single Phase Service	\$ <u>7.50</u> per month	(I)
Three Phase Service	\$ <u>15.00</u> per month	

(b) Demand Charge

First 15 kilowatts	\$ 0.00 per kW	
Additional kilowatts	\$ <u>8.00</u> per kW	(I)

(c) Energy Charge

First 6,000 kWh	\$0.080731 per kWh	
Next 300 kWh/kW	\$0.049510 per kWh	(I)
Additional kWh	\$0.040922 per kWh	

2. ~~Fuel Cost Adjustment~~ Applicable Riders

~~All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:~~

~~Sheet No. 78, Rider DSMR, Demand Side Management Rider~~

~~Sheet No. 80, Rider FAC, Fuel Adjustment Clause~~

~~Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric~~

~~Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism~~

(D)
(C)
(N)

3. ~~DSM Charge~~

~~All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service.~~

(D)

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NET MONTHLY BILL (Contd.)

The minimum charge shall be the Customer Charge shown above.

For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed \$0.139607 per kilowatt-hour plus the all applicable fuel cost adjustment and DSM Charges riders.

(D)
(C)
(D)

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than the higher of the following:

- a) 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months; or
- b) One (1) kilowatt for single phase secondary voltage service and five (5) kilowatts for three phase secondary voltage service.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

- a. Continuous measurement

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POWER FACTOR ADJUSTMENT

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or

b. Testing

- the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by a minimum notice of either the customer or the Company as prescribed by the Company's Service Regulations.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Newport, Kentucky 41071

RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for customers with an average monthly demand of 500 kilowatts or greater where the Company specifies service at a nominal distribution system voltage of 34,500 volts or lower, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and is not applicable for resale service.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt of demand abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge			
Single Phase	\$ 7.50	per month	(I)
Three Phase	\$ 15.00	per month	
Primary Voltage Service	\$100.00	per month	
(b) Demand Charge			
Summer			
On Peak kW	\$ 11.56	per kW	(I)
Off Peak kW	\$ 1.19	per kW	
Winter			
On Peak kW	\$ 10.15	per kW	(I)
Off Peak kW	\$ 1.19	per kW	
(c) Energy Charge			
All kWh	\$0.041927	per kWh	(I)

2. ~~Fuel Adjustment Cost~~ Applicable Riders

~~All kilowatt hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 78, Rider DSMR, Demand Side Management Rider (D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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NET MONTHLY BILL (Contd.)

3. DSM Charge

~~All kilowatts and kilowatt hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential distribution service.~~ (D)

The minimum charge shall be the Customer Charge, as stated above.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

For purposes of administration of the above Base Rate charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - All hours Monday through Friday not included above plus all day Saturday and Sunday, as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, kilowatt hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

If the customer furnishes primary voltage transformers and appurtenances, in accordance with the Company's specified design and maintenance criteria, the Demand Charge, as stated above, shall be reduced as follows:

First 1,000 kW of On Peak billing demand at \$0.65 per kW.
Additional kW of On Peak billing demand at \$0.50 per kW. (I)

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

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POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a period of three (3) years for secondary voltage service and five (5) years for primary voltage service terminable thereafter by a minimum notice of either the customer or the Company as follows:

- (1) For secondary voltage service customers, as prescribed by the Company's Service Regulations.
- (2) For primary voltage service customers with a most recent twelve month average demand of less than 10,000 kVA or greater than 10,000 kVA, written notice of thirty (30) days or twelve (12) months respectively, after receipt of the written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of the administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's demand is less than 500 kilowatts and the Company expects the customer's demand to remain below 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DS, Service at Secondary Distribution Voltage or Rate DP, Service at Primary Distribution Voltage shall be applicable initiating with the June revenue month billing and shall continue until the term of service of that rate is fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly greater than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

Applicable to electric service for heating when customer's wiring is so arranged that heating service can be furnished at one point of delivery and can be metered separately from all other types of service or to any public school, parochial school, private school, or church when supplied at one point of delivery, provided permanently connected and regularly used electrical equipment is installed in compliance with the Company specifications as the primary source of heating or heating and cooling the atmosphere to temperatures of human comfort; and provided all other electrical energy requirements are purchased from the Company. No single water heating unit shall be wired that the demand established by it can exceed 5.5 kilowatts unless approved by the Company.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

A. Winter Period

1. Base Rate

(a) Customer Charge			
Single Phase Service	\$ 7.50	per month	(I)
Three Phase Service	\$ 15.00	per month	(I)
Primary Voltage Service	\$ 100.00	per month	(I)
(b) Demand Charge			
 All kW	\$ 0.00	per kW	(D)
(be) Energy Charge			
All kWh	\$0.067222	per kWh	(I)

2. Fuel Cost Adjustment Applicable Riders

~~All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

~~3. DSM Charge~~

~~All kilowatt-hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service.~~

(D)

The minimum charge shall be the Customer Charge stated above.

B. Summer Billing Period

For energy used during the summer period, the kilowatt demand and kilowatt-hour use shall be billed in accordance with the provisions of the applicable Rate DS or Rate DP.

For purposes of administration of the above charges, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

DEMAND

Customer's Demand will be the kilowatts as determined from Company's meter for the fifteen-minute period of customer's greatest use during the month or as calculated by the Company, but not less than five (5) kilowatts.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

Schedule L-2.2
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Witness Responsible: J. R. Bailey
KY.P.S.C. Electric No. 1
First Revised Sheet No. 43
Cancels and Supersedes
Original Sheet No. 43
Page 1 of 2

RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

Applicable to electric service required for sports installations, such as football and baseball fields, swimming pools, tennis courts, and recreational areas, promoted, operated and maintained by non-profit organizations, such as schools, churches, civic clubs, service clubs, community groups, and municipalities, where such service is separately metered and supplied at one point of delivery, except, not applicable to private sports installations which are not open to the general public. This rate is available only to customers to whom service was supplied in accordance with its terms on June 25, 1981.

TYPE OF SERVICE

Alternating current 60 Hz, single or three phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatt hours are abbreviated as kWh):

1. Base Rate
 - (a) Customer Charge \$7.50 per month (I)
 - (b) Energy Charge \$0.093751 per kWh
- ~~2. Fuel Cost Adjustment~~
 - ~~All kilowatt hours shall be subject to a fuel cost adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ (D)
2. Applicable Riders (C)
 - The following riders are applicable pursuant to the specific terms contained within each rider:
 - Sheet No. 78, Rider DSMR, Demand Side Management Rider (N)
 - Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 - Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 - Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism
- ~~3. DSM Charge~~
 - ~~All kilowatt hour shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service.~~ (D)

The minimum charge shall be a sum equal to 1.5% of the Company's installed cost of transformers and metering equipment required to supply and measure service, but not less than the customer charge whether service is on or disconnected.

RECONNECTION CHARGE

A charge of \$25.00 is applicable to each season to cover in part the cost of reconnection of service. (I)

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Schedule L-2.2

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Witness Responsible: J. R. Bailey

KY.P.S.C. Electric No. 1

First Revised Sheet No. 43

Cancels and Supersedes

Original Sheet No. 43

Page 2 of 2

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The term of contract shall be for a minimum period of one (1) year terminable thereafter on thirty (30) days written notice by either the customer or the Company.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

Applicable to electric service in the Company's entire territory for small fixed, electric load which can be served by a standard service drop from the Company's existing secondary distribution system where it is considered by the Company to be impractical to meter, such as service locations for bus shelters, telephone booths, navigation lights and beacons, and cable television power supplies. (C)

TYPE OF SERVICE

Alternating current 60 Hz, at nominal voltages of 120, 120/240 or 120/208 volts, single phase, unmetered. Service of other characteristics, where available, may be furnished at the option of the Company.

NET MONTHLY BILL

Computed in accordance with the following charges and based upon calculated energy use determined by the rated capacity of the connected equipment:

1. Base Rate

- (a) For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment \$0.070656 per kWh (D)
- (b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment \$0.081562 per kWh (D)

2. Fuel Cost Adjustment

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ (D)

~~3. DSM Charge~~

~~All kilowatt hours shall be subject to the charge stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate for non-residential distribution service.~~ (D)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider: (C)

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause (N)
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

Minimum: \$2.69 per Fixed Load Location per month. (D)

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Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE PROVISIONS

- (1) Each separate point of delivery of service shall be considered a Fixed Load Location.
- (2) Only one supply service will be provided to a customer under this Schedule as one Fixed Load Location.
- (3) The customer shall furnish switching equipment satisfactory to the Company.
- (4) The calculated energy use per month shall be determined by the Company taking into consideration the size and operating characteristics of the load.
- (5) The customer shall notify the Company in advance of every change in connected load or operating characteristics, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of any such changes, the Company reserves the right to refuse to serve the Fixed Load thereafter under this Schedule, and shall be entitled to bill the customer retroactively on the basis of the changed load and operating characteristics for the full period such load was connected.

TERM OF SERVICE

One (1) year, terminable thereafter on thirty (30) days written notice by either the customer or the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at nominal primary distribution system voltages of 12,500 volts or 34,500 volts, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served, and the customer's average monthly demand is determined by the Company to be less than 500 kilowatts. Electric service must be supplied at one point of delivery and is not applicable for resale service.

When both single and three phase secondary voltage services are required by a customer, the monthly kilowatt-hour usage and kilowatt demands shall be the respective arithmetical sums of both services.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase at Company's standard distribution voltage of 34,500 volts or lower.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed \$0.19033 per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

- | | | | | |
|---|----|-----------------|-----------|-----|
| (a) Customer Charge | | | | |
| Primary Voltage Service (12.5 or 34.5 kV) | \$ | 100.00 | per month | |
| (b) Demand Charge | | | | |
| All kilowatts | \$ | <u>7.50</u> | per kW | (I) |
| (c) Energy Charge | | | | |
| First 300 kWh/kW | \$ | <u>0.051707</u> | per kWh | |
| Additional kWh | \$ | <u>0.043446</u> | per kWh | (I) |

2. ~~Fuel Cost Adjustment~~

~~All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff.~~ (D)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)
- Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

~~3. DSM Charge~~

~~All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential service.~~

(D)

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half percent (1.5%) for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At its option, the Company may not install a demand meter if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than 85% of the highest monthly kilowatt demand established in the summer period and effective for the next succeeding eleven (11) months.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

At the Company's option, power factor may be determined by the following methods:

a. Continuous measurement

- the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or

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Newport, Kentucky 41071

POWER FACTOR ADJUSTMENT (Contd.)

b. Testing

- the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter as prescribed by the Company's Service Regulations.

- (1) For customers with a most recent twelve month average demand of less than 10,000 kVA, thirty days written notice.
- (2) For customers with a most recent twelve month average demand of 10,000 kVA or greater, written notice twelve months in advance of the desired termination date.

The Company is not obligated to extend, expand or rearrange its transmission system voltage if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

For purposes of administration of this rate, the Company will determine the customer's average monthly demand based upon the twelve months ending December of each year after the applicable term of service has been fulfilled by the customer. If the customer's monthly demand exceeds 500 kilowatts and the Company expects the customer's demand to remain in excess of 500 kilowatts, then the Company will notify the customer prior to May of the succeeding year that the provisions of Rate DT, Time-of-Day Rate for Distribution Service shall be applicable beginning with the June revenue month billing and shall continue until the term of service of that rate has been fulfilled. In the case where a customer's average demand is estimated by the Company to be significantly less than 500 kilowatts, the Company may, at its discretion, waive the twelve month demand history requirement in the determination of the applicability of this rate.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

Applicable to electric service for usual customer load requirements where the Company specifies service at a nominal transmission system voltage of 69,000 volts or higher, and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served. Electric service must be supplied at one point of delivery and the customer furnishes and maintains all transformation equipment and appurtenances necessary to utilize the service.

Service is applicable for ultimate use by the customer and is not applicable for standby, supplemental, emergency or resale service.

TYPE OF SERVICE

Alternating current 60 Hz, three phase at Company's standard transmission voltage of 69,000 volts or higher.

NET MONTHLY BILL

Computed in accordance with the following charges (kilowatts of demand are abbreviated as kW and kilowatt-hours are abbreviated as kWh):

- | | | | |
|------------------------------------|----|--|------------|
| 1. Base Rate | | | |
| (a) Customer Charge | | \$ 500.00 per month | |
| (b) Demand Charge | | | |
| Summer | | | |
| On Peak kW | \$ | <u>7.29</u> per kW | (D) |
| Off Peak kW | \$ | <u>1.11</u> per kW | |
| Winter | | | |
| On Peak kW | \$ | <u>5.98</u> per kW | (D) |
| Off Peak kW | \$ | <u>1.11</u> per kW | |
| (c) Energy Charge | | | |
| All kWh | | <u>\$0.038697</u> per kWh | (D) |
| 2. Fuel Adjustment Cost | | | |
| | | All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. | <u>(D)</u> |

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NET MONTHLY BILL (Contd.)

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 78, Rider DSMR, Demand Side Management Rider

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(C)

(N)

3. DSM Charge

~~All kilowatts and kilowatt-hours shall be subject to the charges stated on Sheet No. 78, Rider DSMR, Demand Side Management for non-residential transmission service.~~

(D)

The minimum charge shall be not less than fifty percent (50%) of the highest demand charge established during the preceding eleven (11) months.

For purposes of administration of the above charges, the summer is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

RATING PERIODS

The rating periods applicable to the demand charge shall be as follows:

- a) On Peak Period
Summer - 11 a.m. to 8 p.m. Monday through Friday, excluding holidays.
Winter - 9 a.m. to 2 p.m. and 5 p.m. to 9 p.m., Monday through Friday, excluding holidays.
- b) Off Peak Period - all hours Monday through Friday not included above plus all day Saturday and Sunday as well as New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day on the day nationally designated to be celebrated as such.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased one and one-half percent (1.5%) for billing purposes.

DEMAND

The On Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the on peak rating period adjusted for power factor as provided herein. The Off Peak billing demand shall be the kilowatts derived from the Company's demand meter for the fifteen minute period of greatest use in the off peak rating period adjusted for power factor minus the On Peak billing demand. In no case shall the Off Peak billing demand be less than zero.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines the customer's power factor to be less than 90%, the on peak and off peak billing demands will be the number of kilowatts equal to the respective on peak and off peak kilovolt amperes multiplied by 0.90.

The power factor, as determined by continuous measurement, will be derived from the intervals in which the maximum on peak and off peak kW demands are established.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of five (5) years terminable thereafter by either the customer or the Company as follows:

- (1) Thirty (30) days after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of less than 10,000 kW.
- (2) Twelve (12) months after receipt of written notice for customers with a most recent twelve (12) months average on peak demand of greater than 10,000 kW.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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**RIDER GSS
GENERATION SUPPORT SERVICE**

APPLICABILITY

Applicable to any general service customer having generation equipment capable of supplying all or a portion of its power requirements for other than emergency purposes and who requests supplemental, maintenance or backup power.

TYPE OF SERVICE

Service will be rendered in accordance with the specifications of the Company's applicable distribution voltage service or transmission voltage service tariff schedules.

NET MONTHLY BILL

The provisions of the applicable distribution service or transmission service tariff schedule and all applicable riders shall apply to Supplemental Power Service, Maintenance Power Service and Backup Power Service except where noted otherwise. The monthly Administrative Charge and the Monthly Reservation Charges as shown shall apply only to Maintenance Power Service and Backup Power Service.

1. Administrative Charge
The Administrative Charge shall be \$50 plus the appropriate Customer Charge.

2. Monthly Distribution Reservation Charge

a.	Rate DS - Secondary Distribution Service	\$2.6893 per kW	(R)
b.	Rate DT - TOU Secondary Distribution Service	\$2.4716 per kW	(R)
c.	Rate DP - Primary Distribution Service	\$2.8819 per kW	(R)
d.	Rate TT - Transmission Service	\$0.0000 per kVA	(R)

3. Monthly Transmission Reservation Charge

a.	Rate DS - Secondary Distribution Service	\$1.3153 per kW	(R)
b.	Rate DT - TOU Secondary Distribution Service	\$1.3097 per kW	(R)
c.	Rate DP - Primary Distribution Service	\$1.8710 per kW	(R)
d.	Rate TT - Transmission Service	\$1.2355 per kVA	(R)

4. Monthly Ancillary Services Reservation Charge

a.	Rate DS, - Secondary Distribution Service	\$0.5240 per kW	
b.	Rate DT - TOU Secondary Distribution Service	\$0.5240 per kW	
c.	Rate DP - Primary Distribution Service	\$0.5240 per kW	
d.	Rate TT - Transmission Service	\$0.4550 per kVA	

5. Supplemental Power Service
The customer shall contract with the Company for the level of demand required for Supplemental Power Service. All Supplemental Power shall be billed under the terms and charges of the Company's applicable full service tariff schedules. All power not specifically identified and contracted by the customer as Maintenance Power or Backup Power shall be deemed to be Supplemental Power.

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Duke Energy Kentucky
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NET MONTHLY BILL (Contd.)

6. Maintenance Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Maintenance Power. The contracted level of Maintenance Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Maintenance Power is required. The customer's Maintenance Power requirements for each generating unit must be submitted to the Company at least sixty (60) days prior to the beginning of each calendar year. Within thirty (30) days of such submission, the Company shall respond to the customer either approving the Maintenance Power schedule or requesting that the customer reschedule those Maintenance Power requirements. For each generating unit, the customer may elect Maintenance Power Service for up to thirty (30) days in any twelve month period with no more than two (2) days consecutively during the summer billing periods of June through September and those must be during the Company's off-peak periods. The customer may request an adjustment to the previously agreed upon Maintenance Power schedule up to three weeks prior to the scheduled maintenance dates. The adjusted dates must be within one (1) week of the previously scheduled dates and result in a scheduled outage of the same seasonal and diurnal characteristics as the previously scheduled maintenance outage. The Company shall respond to the customer's request for an adjustment within one (1) week of that request. The Company may cancel a scheduled Maintenance Power period, with reason, at any time with at least seven (7) days notice to the customer prior to the beginning of a scheduled maintenance outage if conditions on the Company's electrical system warrant such a cancellation. Any scheduled Maintenance Power period cancelled by the Company shall be rescheduled subject to the mutual agreement of the Company and the customer.

Billing -

All power supplied under Maintenance Power Service shall be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision of the Company's full service tariff schedules shall be waived; and 2) the demand charge for Generation shall be fifty (50) percent of the applicable full service tariff Generation demand charge prorated by the number of days that Maintenance Power is taken.

7. Backup Power Service

Requirements -

The customer shall contract with the Company for the level of demand required for Backup Power. The contracted level of Backup Power shall be the lesser of: 1) the transmission and/or distribution capacity required to serve the contracted load; or, 2) the demonstrated capacity of the customer's generating unit(s) for which Backup Power is required. The customer shall notify the Company by telephone within one-hour of the beginning and end of the outage. Within 48 hours of the end of the outage, the customer shall supply written notice to the Company of the dates and times of the outage with verification that the outage had occurred.

Billing -

All Backup Power will be billed at the applicable rate contained in the Company's full service tariff schedules except for the following modifications: 1) the demand ratchet provision, if any, of the Company's full service tariff schedules is waived; and 2) the demand charge for Generation shall be the applicable full service tariff schedule Generation demand charge as shown in Appendix A prorated by the number of days that Backup Power is taken, except that where some of the customer's load requirement for Backup Power and Supplemental Power is 5 MW or greater and such requirement represents new load for ULH&P subsequent to January 1, 2002, the customer's generation charge for energy and demand shall be based on the provisions of Rate RTP-M, Sheet No. 59.

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NET MONTHLY BILL (Contd.)

8. Monthly Reservation Charges

The Monthly Distribution Reservation Charge, Monthly Transmission Reservation Charge and the Monthly Ancillary Services Charge items shown above shall be based on the greater of the contracted demand for Maintenance Power or Backup Power.

METERING

Recording meters, as specified by the Company, shall be installed where necessary, at the customer's expense. All metering equipment shall remain the property of the Company.

DEFINITIONS

Supplemental Power Service – a service which provides distribution and/or transmission capacity to the customer as well as the energy requirements for use by a customer's facility in addition to the electric power which the customer ordinarily generates on its own.

Maintenance Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer during scheduled outages or interruptions of the customer's own generation.

Backup Power Service – a contracted service which provides distribution and/or transmission capacity as well as the energy requirements for use by the customer to replace energy generated by the customer's own generation during an unscheduled outage or other interruption on the part of the customer's own generation.

TERMS AND CONDITIONS

The term of contract shall be for a minimum of five (5) years.

The customer shall be required to enter into a written Service Agreement with the Company which shall specify the type(s) of service required, notification procedures, scheduling, operational requirements, the amount of deviation from the contract demand to provide for unavoidable generation fluctuations resulting from normal mechanical factors and variations outside the control of the customer and the level of demand and energy required.

The customer is required to adhere to the Company's requirements and procedures for interconnection as set forth in the Company's publication, "System Protection Requirements & Guidelines for Connection & Parallel Operation of Non-Utility Generators" which is provided to customers requesting service under this rider.

The cost of any additional facilities associated with providing service under the provisions of this rider shall be borne by the customer.

Changes in contracted demand levels may be requested by the customer once each year at the contract anniversary date. This request shall be made at least thirty (30) days in advance of the contract anniversary date.

The Company may enter into special agreements with customers which may deviate from the provisions of this rider. Such agreements shall address those significant characteristics of service and cost which would influence the need for such an agreement.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE RTP - M
REAL TIME PRICING – MARKET-BASED PRICING

APPLICABILITY

Applicable to all new Customers as of January 1, 2002 having estimated service requirements of 5,000 kilowatts or more and to existing Customers whose service requirements increase by 5,000 kilowatts or more. Where an existing Customer's requirements increase by 5,000 kilowatts or more, that Customer's incremental load will be subject to the provisions of this rate schedule.

PROGRAM DESCRIPTION

Under the RTP-M program, binding Price Quotes will be sent to each Customer on a day-ahead basis. Customers have the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods or adding new load during lower cost pricing periods.

CUSTOMER CHARGE

The following Customer Charges will be assessed:

Secondary Service.....\$ 15.00 per month
Primary Service\$100.00 per month
Transmission Service\$500.00 per month

(1)

PRICE QUOTES

The Company will send to Customer, by 3:00 p.m. each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

The Company may send more than one day ahead Price Quotes for weekends and holidays identified in the Company's tariffs. The Company may revise these prices by 3:00 p.m. the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is the Customer's responsibility to inform the Company of any failure to receive the Price Quotes by 5:00 p.m. the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

$$CC_t = MVG_t \times LAF$$

Where:

- LAF = loss adjustment factor
- = 1.0530 for Transmission Service
- = 1.0800 for Primary Service
- = 1.1100 for Distribution Service
- MVG_t = Market Value Of Generation As Determined By Company for hour t

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COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

Customers will have the option to enter into a price management agreement whereby the Commodity Charge (CC) for a specified time period (Contract Period) will be fixed at as specified level (Contract Price). Company will have the final determination to enter into a Price Management Contract and the term and structure of the pricing arrangement.

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge shall be applied on an hour by hour basis to Customer's usage.

Charge For Each kW Per Hour:

Secondary Service	\$0.006074 per kW Per Hour	(1)
Primary Service.....	\$0.005559 per kW Per Hour	
Transmission Service.....	\$0.002015 per kW Per Hour	

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:
Scheduling, System Control & Dispatch
Reactive and Voltage Control
Regulation and Frequency Response
Spinning Reserve
Supplemental Reserve

The applicable hourly Ancillary Services Charge shall be applied on an hour by hour basis.

Charge For Each kW Per Hour:

Secondary Delivery	\$0.000760 per kW Per Hour	(1)
Primary Delivery	\$0.000740 per kW Per Hour	
Transmission Delivery	\$0.000721 per kW Per Hour	

The kW Per Hour usage shall be adjusted to reflect applicable Metering Adjustments as shown below.

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METERING ADJUSTMENTS

The Company may meter at secondary or primary voltage as circumstances warrant. In the case of Primary and Secondary Customers, if the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced by one and one-half percent (1.5%). In the case of Transmission Customers, if the Company elects to meter at secondary voltage, the kilowatt-hours registered on the Company's meter will be increased by one and one-half percent (1.5%).

DSMR CHARGE APPLICABLE RIDERS

~~All kWh, adjusted to reflect required metering adjustments under this rate schedule, shall be subject to application of the amount per kWh stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate (DSMR). The following riders are applicable pursuant to the specific terms contained within each rider:~~

- ~~Sheet No. 78, Rider DSMR, Demand Side Management Rider~~
- ~~Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric~~
- ~~Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism~~

(D)
(C)
(N)

PROGRAM CHARGE

Company will provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$183.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

TERM AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by either the Customer or the Company within thirty (30) days after receipt of written notice.

The Company is not obligated to extend, expand or rearrange its transmission system if it determines that existing distribution and/or transmission facilities are of adequate capacity to serve the Customer's load.

If the Company offers to provide the necessary facilities for transmission voltage, in accordance with its Service Regulations, an annual facilities charge, applicable to such facilities, is established at twenty percent (20%) of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the Customer Charge.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowners associations, for the lighting of public streets and roads with Company-owned lighting fixtures.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses.

(N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first.

(N)

TYPE OF SERVICE

All equipment owned by the Company will be installed and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed:

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NET MONTHLY BILL (Contd.)

1. Base Rate

<u>OVERHEAD DISTRIBUTION AREA</u> Fixture Description	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
<u>Standard Fixture (Cobra Head)</u>					
<u>Mercury Vapor</u>					
7,000 lumen	175	0.193	803	\$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 4.21	(I)
10,000 lumen	250	0.275	1,144	\$ 5.88	
21,000 lumen	400	0.430	1,789	\$ 7.36	
<u>Metal Halide</u>					
14,000 lumen	175	0.193	803	\$ 5.46	
20,500 lumen	250	0.275	1,144	\$ 5.88	(N)
36,000 lumen	400	0.430	1,789	\$ 7.36	
<u>Sodium Vapor</u>					
9,500 lumen	100	0.117	487	\$ 6.84	
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.89	(I)
16,000 lumen	150	0.171	711	\$ 7.08	
22,000 lumen	200	0.228	948	\$ 9.16	
27,500 lumen	250	0.275	948	\$ 9.16	(N)
50,000 lumen	400	0.471	1,959	\$10.95	
<u>Decorative Fixtures</u>					
<u>Sodium Vapor</u>					
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74	
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.97	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$11.99	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$19.73	

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

Spans of Secondary Wiring:

For each increment of 50 feet of secondary wiring beyond the first 150 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.52. (I)

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NET MONTHLY BILL (Contd.)

<u>UNDERGROUND DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
<u>Fixture Description</u>					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	\$ 5.46	
7,000 lumen (Open Refractor)	175	0.205	853	\$ 4.21	(I)
10,000 lumen	250	0.292	1,215	\$ 5.88	
21,000 lumen	400	0.460	1,914	\$ 7.36	(D)
<u>Fixture Description</u>					
Metal Halide					
14,000 lumen	175	0.210	874	\$ 5.46	
20,500 lumen	250	0.292	1,215	\$ 5.88	(N)
36,000 lumen	400	0.460	1,914	\$ 7.36	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$ 6.84	
9,500 lumen (Open Refractor)	100	0.117	487	\$ 4.89	
16,000 lumen	150	0.171	711	\$ 7.08	(I)
22,000 lumen	200	0.228	948	\$ 9.16	
50,000 lumen	400	0.471	1,959	\$10.95	
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$ 5.73	(I)
7,000 lumen (Holophane)	175	0.210	874	\$ 7.60	
7,000 lumen (Gas Replica)	175	0.210	874	\$19.59	
7,000 lumen (Granville)	175	0.205	853	\$ 5.73	(N)
7,000 lumen (Aspen)	175	0.210	874	\$11.78	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.73	
14,000 lumen (Granville Acorn)	175	0.210	874	\$11.78	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$19.59	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$ 9.88	
9,500 lumen (Holophane)	100	0.128	532	\$10.69	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74	(I)
9,500 lumen (Gas Replica)	100	0.128	532	\$21.04	
9,500 lumen (Aspen)	100	0.128	532	\$12.54	
9,500 lumen (Traditionaire)	100	0.117	487	\$ 9.88	(N)
9,500 lumen (Granville Acorn)	100	0.128	532	\$12.54	
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.97	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$11.99	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$19.73	

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NET MONTHLY BILL (Contd.)

<u>POLE CHARGES</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
<u>Pole Description</u>			
<u>Wood</u>			
17 foot (Wood Laminated) (a)	W17	\$ 4.37	
30 foot	W30	\$ 4.31	(I)
35 foot	W35	\$ 4.36	
40 foot	W40	\$ 5.23	
<u>Aluminum</u>			
12 foot (decorative)	A12	\$11.97	
28 foot	A28	\$ 6.89	(I)
28 foot (heavy duty)	A28H	\$ 6.96	
30 foot (anchor base)	A30	\$13.76	
<u>Fiberglass</u>			
17 foot	F17	\$ 4.37	
12 foot (decorative)	F12	\$12.87	(I)
30 foot (bronze)	F30	\$ 8.38	
35 foot (bronze)	F35	\$ 8.60	
<u>Steel</u>			
27 foot (11 gauge)	S27	\$11.31	(I)
27 foot (3 gauge)	S27H	\$17.05	(I)

Spans of Secondary Wiring:

For each increment of 25 feet of secondary wiring beyond the first 25 feet from the pole, the following price per month shall be added to the price per month per street lighting unit: \$0.75. (I)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

(a) Note: New or replacement poles no longer available.

2. Base Fuel Cost (I)
All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.
3. Fuel Cost Adjustment Applicable Riders (D)
All kilowatt-hours shall be subject to an adjustment per kilowatt hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: (C)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, and then its terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

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SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

Applicable to the supplying of energy for traffic signals or other traffic control lighting on public streets and roads. After April 2, 1990, this tariff schedule shall only be applicable to municipal, county, state and local governments. In the application of this tariff, each point of delivery shall be considered as a separate customer.

TYPE OF SERVICE

Alternating current 60 Hz, single phase at the Company's standard secondary voltage.

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

- (a) Where the Company supplies energy only, all kilowatt-hours shall be billed at \$0.035196 per kilowatt-hour; (I)
- (b) Where the Company supplies energy from a separately metered source and the Company has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.020695 per kilowatt-hour. (I)
- (c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.055892 per kilowatt-hour. (I)

2. ~~Fuel Cost Adjustment~~ Applicable Riders

~~All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:~~ (D)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider - Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on thirty (30) days written notice by either customer or Company.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No 2006-00172.

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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. 61
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GENERAL CONDITIONS

- (1) Billing will be based on the calculated kilowatt-hour consumption taking into consideration the size and characteristics of the load.
- (2) Where the average monthly usage is less than 110 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing the electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before the work is carried out.
- (3) The location of each point of delivery shall be mutually agreed upon by the Company and the customer. In overhead distribution areas, the point of delivery shall be within 150 feet of existing secondary wiring. In underground distribution areas, the point of delivery shall be at an existing secondary wiring service point.
- (4) If the customer requires a point of delivery which requires the extension, relocation, or rearrangement of Company's distribution system, the customer shall pay the Company, in addition to the monthly charge, the cost of such extension, relocation, or rearrangement on the basis of time and material plus overhead charges unless, in the judgment of the Company, no payment shall be made. An estimate of the cost will be submitted for approval before work is carried out.

LIMITED MAINTENANCE

Limited maintenance for traffic signals is defined as cleaning and replacing lamps, and repairing connections in wiring which are of a minor nature. Limited maintenance for traffic controllers is defined as cleaning, oiling, adjusting and replacing contacts which are provided by customer, time-setting when requested, and minor repairs to defective wiring.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE

APPLICABILITY

Applicable for electric energy usage only for any street or outdoor area lighting system (System), operating during the dusk to dawn time period, on private or public property and owned by the customer or the Company. The customer must be adjacent to an electric power line of the Company that is adequate and suitable for supplying the necessary electric service.

Service under this tariff schedule shall require a written agreement between the customer and the Company specifying the calculated lighting kilowatt-hours. The System shall comply with the connection requirements in the Company's Electric Service Regulations, Section III, Customer's and Company's Installations.

CONTRACT FOR SERVICE

The customer will enter into an Agreement for Electric Service for Outdoor Lighting for a minimum of one year and renewable annually, automatically, thereafter.

The Company will provide unmetered electric service based on the calculated annual energy usage for each luminaire's lamp wattage plus ballast usage (impact wattage). The System kilowatt-hour usage shall be determined by the number of lamps and other System particulars as defined in the written agreement between the customer and Company. The monthly kilowatt-hour amount will be billed at the rate contained in the NET MONTHLY BILL section below.

LIGHTING HOURS

The unmetered lighting System will be operated automatically by either individual photoelectric controllers or System controller(s) set to operate on either dusk-to-dawn lighting levels or on pre-set timers for any hours between dusk-to-dawn. The hours of operation will be agreed upon between the customer and the Company and set out in the Agreement. Dusk-to-dawn lighting typically turns on and off approximately one-half (1/2) hour after sunset and one-half (1/2) hour before sunrise which is approximately 4160 hours annually.

NET MONTHLY BILL

Computed in accordance with the following charge:

- | | | | |
|----|--|--------------------|-----|
| 1. | Base Rate
All kWh | \$0.034621 per kWh | (I) |
| 2. | Fuel Cost Adjustment <u>Applicable Riders</u> | | (D) |
| | All kilowatt hours shall be subject to an adjustment per kilowatt hour in accordance with "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: | | (C) |
| | <u>Sheet No. 80, Rider FAC, Fuel Adjustment Clause</u> | | (N) |
| | <u>Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric</u> | | |
| | <u>Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism</u> | | |

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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill which is the Net Monthly Bill plus 5%, is due and payable.

OWNERSHIP OF SERVICE LINES

Company will provide, install, own, operate and maintain the necessary facilities for furnishing electric service to the System defined in the agreement. If the customer requires the installation of a System at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

The Company shall erect the service lines necessary to supply electric energy to the System within the limits of the public streets and highways or on private property as mutually agreed upon by the Company and the customer. The customer shall assist the Company, if necessary, in obtaining adequate written easements covering permission to install and maintain any service lines required to serve the System.

The Company shall not be required to pay for obtaining permission to trim or re-trim trees where such trees interfere with lighting output or with service lines or wires of the Company used for supplying electric energy to the System. The customer shall assist the Company, if necessary, in obtaining permission to trim trees where the Company is unable to obtain such permission through its own best efforts.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

Applicable for outdoor lighting services on private property with Company owned fixtures in the Company's entire service area where secondary distribution lines are adjacent to the premises to be served. Not applicable for lighting public roadways which are dedicated, or anticipated to be dedicated, except to meet the occasional singular need of a customer who has obtained written approval from the proper governmental authority.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses.

(N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first.

(N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-ways provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a maximum mast arm of 10 feet for overhead units will be assessed:

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Newport, Kentucky 41071

NET MONTHLY BILL (Contd.)

	Lamp Watts	kW/ Luminaire	Annual kWh	Rate/Unit	
Standard Fixtures (Cobra Head)					
Mercury Vapor					
7,000 lumen (Open Refractor)	175	0.205	853	\$ <u>6.88</u>	
7,000 lumen	175	0.210	874	\$ <u>9.24</u>	(I)
10,000 lumen	250	0.292	1,215	\$ <u>10.39</u>	
21,000 lumen	400	0.460	1,914	\$ <u>12.64</u>	
Metal Halide					
14,000 lumen	175	0.210	874	\$ <u>9.24</u>	
20,500 lumen	250	0.307	1,215	\$ <u>10.39</u>	(N)
36,000 lumen	400	0.460	1,914	\$ <u>12.64</u>	
Sodium Vapor					
9,500 lumen (Open Refractor)	100	0.117	487	\$ <u>6.57</u>	
9,500 lumen	100	0.117	487	\$ <u>8.85</u>	(I)
16,000 lumen	150	0.171	711	\$ <u>9.66</u>	
22,000 lumen	200	0.228	948	\$ <u>10.36</u>	
27,500 lumen	250	0.228	948	\$ <u>10.36</u>	(N)
50,000 lumen	400	0.471	1,959	\$ <u>10.38</u>	
Decorative Fixtures (a)					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	\$ <u>11.45</u>	
7,000 lumen (Holophane)	175	0.210	874	\$ <u>15.20</u>	
7,000 lumen (Gas Replica)	175	0.210	874	\$ <u>39.18</u>	(I)
7,000 lumen (Aspen)	175	0.210	874	\$ <u>23.57</u>	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$ <u>11.45</u>	
14,000 lumen (Granville Acorn)	175	0.210	874	\$ <u>23.57</u>	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$ <u>39.18</u>	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$ <u>19.75</u>	
9,500 lumen (Holophane)	100	0.128	532	\$ <u>21.39</u>	
9,500 lumen (Rectilinear)	100	0.117	487	\$ <u>17.48</u>	(I)
9,500 lumen (Gas Replica)	100	0.128	532	\$ <u>42.08</u>	
9,500 lumen (Aspen)	100	0.128	532	\$ <u>25.09</u>	
9,500 lumen (Traditionaire)	100	0.117	487	\$ <u>19.75</u>	
9,500 lumen (Granville Acorn)	100	0.128	532	\$ <u>25.09</u>	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ <u>19.94</u>	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$ <u>23.98</u>	(I)
50,000 lumen (Setback)	400	0.471	1,959	\$ <u>39.46</u>	

- (a) When requesting installation of a decorative unit, the customer may elect to make an additional contribution to obtain the monthly rate per unit charge for the same size standard (cobra head) outdoor lighting fixture.

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NET MONTHLY BILL (Contd.)

B. Flood lighting units served in overhead distribution areas (FL):

The following monthly charge for each fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, will be assessed:

	<u>Lamp Watts</u>	<u>kW/ Luminaire</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Mercury Vapor 21,000 lumen	400	0.460	1,914	\$12.65	(I)
<u>Metal Halide</u> 20,500 lumen	250	0.307	1,215	\$10.39	(N)
<u>36,000 lumen</u>	400	0.460	1,914	\$12.65	
Sodium Vapor 22,000 lumen	200	0.246	1,023	\$10.13	
<u>30,000 lumen</u>	250	0.312	1,023	\$10.13	(N)
50,000 lumen	400	0.480	1,997	\$11.11	

Additional facilities, if needed will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hour shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. ~~Fuel Cost Adjustment~~ Applicable Riders

~~All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider:~~ (D)
(C)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.

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GENERAL CONDITIONS (Contd.)

2. If the customer requires the extension, relocation or rearrangement of the Company's system, the customer will pay, in addition to the monthly charge, the Company on a time and materials basis, plus overhead charges, for such extension, relocation or rearrangement unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
3. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
4. Installation of lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
5. The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these light units for such reason.
6. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

TERM OF SERVICE

Three (3) years for a new and/or succeeding customer until the initial period is fulfilled. The service is terminable thereafter on ten (10) days written notice by the customer or the Company.

At the Company's option, a longer contract may be required for large installations.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations, currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE NSU

**STREET LIGHTING SERVICE
 NON-STANDARD UNITS**

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, hereinafter referred to as customer for the lighting of public streets and roads with existing Company and Customer owned lighting fixtures. This service is not available for units installed after January 1, 1985.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment owned by the Company will be maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps maintained by the Company within 48 hours after notification by the customer. The Company does not guarantee continuous lighting or electric service and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each unit with lamp and luminaire, controlled automatically, will be assessed.

1. Base Rate

A. Company owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
1. Boulevard units served underground					
a. 2,500 lumen Incandescent - Series	148	0.148	616	\$ 7.84	
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	\$ 5.46	(N)
2. Holophane Decorative fixture on 17 foot fiberglass pole served underground with direct buried cable					
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	\$14.07	

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NET MONTHLY BILL (Contd.)

The cable span charge of \$0.75 per each increment of 25 feet of secondary wiring shall be added to the Rate/unit charge for each increment of secondary wiring beyond the first 25 feet from the pole base. (I)

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
3. Street light units served overhead distribution					
a. 2,500 lumen Incandescent	189	0.189	786	\$ 5.40	
b. 2,500 lumen Mercury Vapor	100	0.109	453	\$ 5.69	(I)
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	\$ 6.63	

B. Customer owned

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
1. Steel boulevard units served underground with limited maintenance by Company					
a. 2,500 lumen Incandescent – Series	148	0.148	616	\$ 4.12	(I)
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	\$ 5.23	

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. Fuel Cost Adjustment Applicable Riders

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour in accordance with the "FUEL COST ADJUSTMENT" schedule set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider. (D)
(C)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric (N)

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 1 or 3 under General Conditions.

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

Applicable to service for outdoor lighting on private property with Company-owned lighting fixtures in the Company's entire territory where secondary distribution lines are adjacent to the premise to be served. Not applicable to service for lighting of dedicated or undedicated public thoroughfares.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2016. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company on rights-of-way provided by the customer. The Company will perform maintenance only during regularly scheduled working hours and will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for damage, loss or injury resulting from any interruption in such lighting due to any cause. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum.

NET MONTHLY BILL

- 1. Base Rate
 - A. Private outdoor lighting units:

The following monthly charge will be assessed for existing facilities, but this unit will not be available to any new customers after May 15, 1973:

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
2,500 lumen Mercury, Open Refractor.....	100	0.115	478	<u>\$ 6.71</u>	(I)
2,500 lumen Mercury, Enclosed Refractor.....	100	0.115	478	<u>\$ 9.53</u>	

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NET MONTHLY BILL (Contd.)

B. Outdoor lighting units served in underground residential distribution areas:

The following monthly charge will be assessed for existing fixtures which include lamp and luminaire, controlled automatically, with an underground service wire not to exceed 35 feet from the service point, but these units will not be available to new customers after May 5, 1992:

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
7,000 lumens Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	\$ <u>12.59</u>
7,000 lumen Mercury, Mounted on a 17-foot Wood Laminated Pole (a).	175	0.205	853	\$ <u>12.59</u>
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole.	175	0.205	853	\$ <u>11.51</u>
9,500 lumen Sodium Vapor, TC 100 R.	100	0.117	487	\$ <u>10.04</u>

(I)

(a) Note: New or replacement poles are not available.

C. Flood lighting units served in overhead distribution areas:

The following monthly charge will be assessed for each existing fixture, which includes lamp and luminaire, controlled automatically, mounted on a utility pole, as specified by the Company, with a span of wire not to exceed 120 feet, but these units will not be available after May 5, 1992:

	Lamp Watt	kW/Fixture	Annual kWh	Rate/Unit
52,000 lumen Mercury (35-foot Wood Pole) . .	1,000	1.102	4,584	\$ <u>18.94</u>
52,000 lumen Mercury (50-foot Wood Pole) . .	1,000	1.102	4,584	\$ <u>22.48</u>
50,000 lumen Sodium Vapor.	400	0.471	1,959	\$ <u>15.56</u>

(I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel.

(I)

3. Fuel Cost Adjustment Applicable Riders

~~All kilowatt hours shall be subject to an adjustment per kilowatt hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable to the specific terms contained within each rider:~~

(D)

(C)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

(N)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

Three (3) years, terminable thereafter on ten (10) days written notice by either customer or Company.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006, in Case No. 2006-00172.

Issued: March 31, 2006

Effective: 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. 67
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GENERAL CONDITIONS

1. In cases of repeated vandalism, the Company at its option will repair or remove its damaged equipment and the customer shall pay for repairs on a time and material basis, plus overhead charges. If the equipment is removed the customer will be billed for the unexpired term of the contract.
2. If any Company owned lighting unit is required to be relocated, removed or replaced with another unit of the same or lower lamp wattage, the customer ordering this shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charges should be made. An estimate of the cost will be submitted for customer approval before work is carried out.
3. When a lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof, and incorporated homeowner's associations for the lighting of public streets and roads when the total investment and installation costs of the fixtures are borne by the customer. The fixture shall be a Company approved unit used in overhead and underground distribution areas.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be owned by the customer but may be installed by customer or Company with limited maintenance performed by the Company. Limited maintenance includes only fixture cleaning, relamping, and glassware and photo cell replacement. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

1. Base Rate	Lamp Watts	kW/Unit	Annual kWh	Rate/Unit	
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	\$2.59	(I)
10,000 lumen	250	0.275	1,144	\$3.06	
21,000 lumen	400	0.430	1,789	\$3.85	
Metal Halide					
14,000 lumen	175	0.193	803	\$2.59	
20,500 lumen	250	0.275	1,144	\$3.06	(N)
36,000 lumen	400	0.430	1,789	\$3.85	

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Duke Energy Kentucky
1697-A Monmouth Street
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NET MONTHLY BILL (Contd.)

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>	
Sodium Vapor					
9,500 lumen	100	0.117	487	\$3.98	
16,000 lumen	150	0.171	711	\$4.21	(I)
22,000 lumen	200	0.228	948	\$4.28	
27,500 lumen	250	0.228	948	\$4.28	(N)
50,000 lumen	400	0.471	1,959	\$4.47	
Decorative Fixture					
Mercury Vapor					
7,000 lumen (Holophane)	175	0.210	874	\$3.59	
7,000 lumen (Town & Country)	175	0.205	853	\$3.58	
7,000 lumen (Gas Replica)	175	0.210	874	\$3.59	(C)
7,000 lumen (Aspen)	175	0.210	874	\$3.59	
Metal Halide					
14,000 lumen (Traditionaire)	175	0.205	853	\$3.58	(N)
14,000 lumen (Granville Acorn)	175	0.210	874	\$3.59	
14,000 lumen (Gas Replica)	175	0.210	874	\$3.59	
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	\$3.99	(I)
9,500 lumen (Traditionaire)	100	0.117	487	\$3.99	(N)
9,500 lumen (Granville Acorn)	100	0.128	532	\$4.12	
9,500 lumen (Rectilinear)	100	0.117	487	\$3.99	
9,500 lumen (Aspen)	100	0.128	532	\$4.12	(I)
9,500 lumen (Holophane)	100	0.128	532	\$4.12	
9,500 lumen (Gas Replica)	100	0.128	532	\$4.12	(C)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$4.51	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$4.76	(I)

Where a street lighting fixture served overhead is to be installed on another utility's pole on which the Company does not have a contact, a monthly pole charge will be assessed.

<u>Pole Description</u>	<u>Pole Type</u>	<u>Rate/Pole</u>	
Wood			
30 foot	W30	\$4.31	(I)
35 foot	W35	\$4.36	
40 foot	W40	\$5.23	

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NET MONTHLY BILL (Contd.)

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be \$0.034621 per kilowatt-hour which includes the base fuel cost rate stated below. The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out. (I)

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (M)

3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider: (D)

Sheet No. 80, Rider FAC, Fuel Adjustment Clause (C)

Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric

Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism (N)

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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GENERAL CONDITIONS (Contd.)

- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced by the Company, the ordering Authority shall pay the Company the cost agreed upon under a separate contract.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.

- (6) When a customer owned lighting unit becomes inoperative the cost of repair, replacement or removal of the unit will be at the customer's expense.
- (7) All lights installed on an overhead distribution system will be installed by Company under a separate contract with customer.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 4107

KY.P.S.C. Electric No. 1
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RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

Applicable to municipal, county, state and Federal governments, including divisions thereof and incorporated homeowners associations for the lighting of public streets and roads with Company lighting fixtures in underground distribution areas, where the customer elects to make a contribution for the installation of the fixture, mounting, pole and secondary wiring to obtain the rate/unit for the same size standard fixture (cobra head) in an overhead distribution area.

Mercury Vapor lighting fixtures will not be installed by the Company after June 1, 2003. As currently installed Mercury Vapor fixtures are retired and/or replaced, they may be replaced with either Metal Halide or Sodium Vapor fixtures as the customer chooses. (N)

This rate schedule is no longer available after December 31, 2006. Potential lighting customers wanting a lighting system installed and maintained by Company can do so via the Outdoor Lighting Equipment agreement (OLE). Potential customers should contact a Company account representative for further information concerning OLE options. This rate schedule terminates December 31, 2026. Customers currently being provided service under this rate schedule can continue being provided service under this rate schedule until their contract expires or this rate schedule terminates, whichever occurs first. (N)

TYPE OF SERVICE

All equipment will be installed, owned and maintained by the Company. All lamps will burn from dusk to dawn, approximately 4,160 hours per annum. The Company will endeavor to replace burned-out lamps within 48 hours after notification by the customer. The Company does not guarantee continuous lighting and shall not be liable to the customer or anyone else for any damage, loss or injury due to any cause.

NET MONTHLY BILL

The following monthly charge for each lamp with luminaire, controlled automatically, will be assessed:

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KY.P.S.C. Electric No. 1
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NET MONTHLY BILL (Contd.)

1. Base Rate

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit	
Decorative Fixtures					
<u>Mercury Vapor</u>					
7,000 lumen (Town & Country)	175	0.205	853	\$ 5.46	
7,000 lumen (Holophane)	175	0.210	874	\$ 5.46	(I)
7,000 lumen (Gas Replica)	175	0.210	874	\$ 5.46	
7,000 lumen (Aspen)	175	0.210	874	\$ 5.46	
<u>Metal Halide</u>					
14,000 lumen (Traditionaire)	175	0.205	853	\$ 5.46	
14,000 lumen (Granville Acorn)	175	0.210	874	\$ 5.46	(N)
14,000 lumen (Gas Replica)	175	0.210	874	\$ 5.46	
<u>Sodium Vapor</u>					
9,500 lumen (Town & Country)	100	0.117	487	\$ 6.84	(I)
9,500 lumen (Holophane)	100	0.128	532	\$ 6.84	
9,500 lumen (Rectilinear)	100	0.117	487	\$ 6.84	
9,500 lumen (Gas Replica)	100	0.128	532	\$ 6.84	
9,500 lumen (Aspen)	100	0.128	532	\$ 6.84	(I)
9,500 lumen (Traditionaire)	100	0.117	487	\$ 6.84	
9,500 lumen (Granville Acorn)	100	0.128	532	\$ 6.84	(N)
22,000 lumen (Rectilinear)	200	0.246	1,023	\$ 9.16	
50,000 lumen (Rectilinear)	400	0.471	1,959	\$10.95	
50,000 lumen (Setback)	400	0.471	1,959	\$10.95	(I)

Additional facilities, other than specified above, if required, will be billed at the time of installation.

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.021619 per kilowatt-hour reflecting the base cost of fuel. (I)

3. Fuel Cost Adjustment Applicable Riders

All kilowatt-hours shall be subject to an adjustment per kilowatt-hour determined in accordance with the "FUEL COST ADJUSTMENT" set forth on Sheet No. 80 of this tariff. The following riders are applicable pursuant to the specific terms contained within each rider: (D)
(C)
(N)
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider -- Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

The street lighting units are installed for the life of the unit, terminable on one hundred twenty (120) days written notice by either customer or Company subject to Paragraph 4 or 6 under General Conditions.

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KY.P.S.C. Electric No. 1
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GENERAL CONDITIONS

- (1) If the customer requires the installation of a unit at a location which requires the extension, relocation, or rearrangement of the Company's distribution system, the customer shall, in addition to the monthly charge, pay the Company on a time and material basis, plus overhead charges, the cost of such extension, relocation, or rearrangement, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (2) Installation of street lighting units will be predicated on the ability of the Company to obtain, without cost to itself or the payment or other consideration, all easements and rights-of-way which, in the opinion of the Company, are necessary for the construction, maintenance and operation of the street lights, standards, anchors and/or service wires. If such easements and rights-of-way cannot be so obtained, the Company shall have no obligation hereunder to install such units.
- (3) The time within which the Company will be able to commence or to complete the services to be performed is dependent on the Company's ability to secure the materials required, and the Company shall not be responsible for failure to install these street light units for such reason.
- (4) If an installed street lighting unit is required to be relocated, removed, or replaced with another unit of the same or less rated lamp wattage, the ordering Authority shall pay the Company the sacrifice value of the unit, plus labor and overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (5) Lamps and refractors which are maintained by the Company shall be kept in good operating condition by and at the expense of the Company.

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (6) When a street lighting unit reaches end of life or becomes obsolete and parts cannot be reasonably obtained, the Company can remove the unit at no expense to the customer after notifying the customer. The customer shall be given the opportunity to arrange for another type lighting unit provided by the Company.
- (7) The contribution only provides for replacement of these facilities due to occasional damage or premature malfunction. It does not cover replacement at end of life.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Schedule L-2.2
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Witness Responsible: J. R. Bailey

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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(D)

RIDER SES
STANDBY OR EMERGENCY SERVICE

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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Schedule L-2.2

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Witness Responsible: J. R. Bailey

Duke Energy Kentucky
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Original Sheet No. 74
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RIDER IS
INTERRUPTIBLE SERVICE RIDER

(D)

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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(D)

RIDER TES

THERMAL ENERGY STORAGE RIDER

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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KY.P.S.C. Electric No. 1
First Revised Sheet No. 77
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Original Sheet No. 77
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RIDER PLM

PEAK LOAD MANAGEMENT PROGRAM

AVAILABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP, Rate TT, Special Contracts or Rate RTP. Customers whose billing period maximum 15-minute demands are less than 500 kilowatts will be eligible to participate in the Program by paying the incremental cost of installing the required metering. Customers must enter into a service agreement.

PROGRAM DESCRIPTION

The PLM Program is voluntary and offers Customers the opportunity to reduce their electric costs by managing their electric usage during Company's peak load periods. Customer and Company will enter into a service agreement under this Rider which will specify the terms and conditions under which Customer agrees to reduce usage.

SERVICE OPTIONS

Customers may elect to participate in a PLM service option by either choosing to:

- a) reduce demand to a specified amount,
- b) reduce energy usage below their baseline, or
- c) sell the output of any Customer owned self generation to Company.

Upon approval of Company, Customers will have the choice to aggregate electric loads at multiple sites under the PLM Program.

The specific hours for the PLM service option will be mutually agreed upon between Customer and Company and specified in the service agreement. ~~The targeted hours for the PLM Program will generally be between 11:00 A.M. and 8:00 P.M., Monday through Friday, starting June 1 and ending September 30.~~

(D)

Buy-through energy is the incremental energy the Customer has decided to purchase in lieu of managing their electric demand or energy usage as agreed upon between the Customer and the Company.

Demand Reduction Option

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to limit their demand to a Firm Load Level. Customer and Company will mutually agree on the amount of demand reduction, the conditions under which a request for reduction can be issued and the mechanism to be used to verify compliance. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of the bill credit will take into consideration the projected avoided cost of firm capacity and energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

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Demand Reduction Option (Contd.)

Company will provide buy-through energy, if available, to be billed based on price quotes (Buy-through Quotes) provided to Customer. Such Buy-through Quotes will include a) applicable transmission and distribution charges, generation charges based on out-of-pocket cost plus 10% and all applicable Riders and taxes included in the Standard Rate. Customer will be billed for all usage above the Firm Load Level at such Buy-through Quotes. If buy-through energy is not available and Customer fails to reduce its usage to the Firm Load Level, Customer will be billed for all usage above the Firm Load Level at \$10.00 per kilowatt-hour.

Energy Reduction Below Baseline

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option agree, upon notification by Company, to reduce energy usage below their Baseline Level. Reductions below the Baseline Level during such periods will be credited at the Energy Buy-Back Price Quotes (Price Quotes) provided to Customer by Company. Customer and Company will mutually agree upon a) the conditions under which such Price Quotes will be in effect, b) the time period by which Company will provide such Price Quotes to Customer and c) the time duration such Price Quotes will be in effect. The determination of such Price Quotes will take into consideration the projected avoided cost of energy, any bill savings from reducing load under the applicable Standard Rates or Rate RTP and program administrative costs.

Customer will agree to provide Company with an estimate of the amount of load reduction to be provided during such periods. The Baseline Level must be mutually agreeable to both the Customer and the Company as representing the Customer's normal usage level during the time period that a notification could be given.

Generation Sell Back

Customers served under the Standard Rate DS, Rate DT, Rate DP, Rate TT or Rate RTP electing this option, agree upon notification by Company, to sell the output of their electric generator to Company. Customer and Company will mutually agree on the amount of generation to be sold back and the conditions under which a request to run the generator can be issued. Based upon these factors, Company will establish a bill credit to be given to Customer and the structure of the bill credit. The value of bill credit will be take into consideration projected avoided cost of firm capacity and energy and program administrative costs.

Suitable metering will be installed either by Customer or Company to measure the energy output of the Generator. Customer will provide suitable access and a suitable location for the installation of such metering equipment.

During such time period that the electrical output of the generator is being sold back to Company, the meter readings that are normally used to bill the Customer shall be adjusted by adding back the measured output of the generator.

BILLING UNDER STANDARD RATES

Customers served under Rates DS, Rate DT, Rate DP or Rate TT will be billed for all demand and energy used under the terms and conditions and at the rates and charges of the applicable Standard Rate. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement.

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Newport, Kentucky 41071

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BILLING UNDER RATE RTP

~~Customers served under Rate RTP will be billed for all demand and energy used under the terms and conditions and at the rates and charges such Rider. In addition, Customers will receive credits on their electric bill for participation in the PLM Program based upon the elected Service Option and outlined in the PLM service agreement. During a notice period under this Rider, Customer's RTP billing will be adjusted to equate any credits to those outlined in the PLM service agreement.~~

(D)

PROGRAM EQUIPMENT

Company will provide Internet based communication software to be used to provide Customer with the Buy-through and Price Quotes. Customer will be responsible for providing its own Internet access.

Customer may purchase from either Company or other third-party suppliers any other necessary equipment or software packages to facilitate participation in this PLM Program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this PLM Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

CUSTOMER GENERATION

Customers electing to operate a Generator in parallel with Company's electric system will operate the Generator in such a manner as not to cause undue fluctuations in voltage, harmonic disturbances, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Company will grant such permission only in cases where it is satisfied that such parallel operation is practicable and without interference or probability of interference with the ability of Company to render adequate service to its other Customers.

TERM AND CONDITIONS

Except as provided in this Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates or Rate RTP will apply.

Any interruptions or reductions in electric service caused by outages of Company's facilities, other than as provided under the PLM Program, will not be deemed a Curtailment Period under this PLM Program. Agreements under the PLM Program will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable electric tariff and its applicable rate schedules. It will be Customer's responsibility to monitor and control their demand and energy usage before, during, and after a notice period under this Rider.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2006-00172 accordance with TFS2006-00440.

Issued: ~~March 31, 2006~~

Issued by Sandra P. Meyer, President

Effective: ~~April 3, 2006~~

Schedule L-2.2

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Witness Responsible: J. R. Bailey

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

Ky. P.S.C. Electric No. 1
First Revised Sheet No. 79
Cancels and Supersedes
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Page 1 of 1

RIDER EOP-RTP
ENERGY CALL OPTION PROGRAM

(D)

THIS SHEET IS HEREBY CANCELLED AND WITHDRAWN

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

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, KY 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 80
Cancels and Supersedes
Original Sheet No. 80
Page 1 of 2

**RIDER FAC
FUEL ADJUSTMENT CLAUSE**

(C)

APPLICABLE

In all territory service.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or (decreased) at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\text{Fuel Cost Adjustment} = \frac{F(m)}{S(m)} - \$0.021619 \text{ per kWh}$$

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

- (2) Fuel costs (F) shall be the cost of:
- (a) Fossil fuel consumed in the Company's plants plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
 - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) of this subsection, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus
 - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the Company to substitute for its own higher cost energy, and less
 - (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - (e) All fuel costs shall be based on a weighted-average inventory costing. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of fuel itself and necessary charges for transportation of fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.

Issued by authority of an Order of the Kentucky Public Service Commission dated
2006-00172.

in Case No.

Issued;

Effective:

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, KY 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 80
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AVAILABILITY OF SERVICE (Contd.)

(f) As used herein, the term "forced outages" means all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection, or acts of the public enemy, then the Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.

(3) Sales (S) shall be determined in kilowatt-hours as follows:

Add:

- (a) net generation
- (b) purchases
- (c) interchange in

Subtract:

- (d) inter-system sales including economy energy and other energy sold on an economic dispatch basis.
- (e) total system losses

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2006-00172.

Issued;

Effective:

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
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**RIDER TCRM
TRANSMISSION COST RECOVERY MECHANISM**

(N)

APPLICABILITY

Applicable to all jurisdictional retail customers in the Company's electric service area.

Whenever the average cost of transmission charged to the Company by its Regional Transmission Organization is greater or less than the average cost of this transmission included per kilowatt-hour of sales in the base period, there shall be added to or subtracted from the net monthly bill to which this Rider is applicable, an amount determined by multiplying the number of kilowatt-hours consumed by the customer during the period for which the bill is rendered by a Rider TCRM adjustment.

1. The charge per kilowatt-hour delivered under the rate schedule to which this adjustment is applicable shall be increased or decreased during each year in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{T(y)}{S(y)} - \frac{T(b)}{S(b)}$$

where:

- a. "T" is the transmission related Midwest ISO Costs billed to Duke Energy Kentucky.
 - b. "S" is the kilowatt-hour sales.
 - c. "y" is the current year.
 - d. "b" is the base year.
2. Eligible transmission costs (T) shall be the most recent actual annual cost of:
 - a. Retail share of charges billed to Duke Energy Kentucky for Schedules 10, 10-FERC, 16, 17, and 24 of the Midwest ISO's Transmission Energy Market Tariff.
 - b. Retail share of net charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff.
 - c. Retail share of all other charges billed to Duke Energy Kentucky for congestion and marginal losses as billed from the Midwest ISO under its Transmission Energy Market Tariff excluding Day-Ahead and Real-Time energy costs, Revenue Sufficiency Guarantee Make-whole Payments, Virtual transactions, and Disputed amounts.
 - d. Eligible transmission expenses, T(b), included in the base year are \$12,047,693.
 - e. Sales, S(b), for the base year, the twelve months ending December 31, 2007, are 4,006,495,000 kWh.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2006-00172.

Issued:

Effective:

Issued by Sandra P. Meyer, President

Duke Energy Kentucky
139 East Fourth Street
Cincinnati, Ohio 45202

KY.P.S.C. Electric No. 1
Sheet No. 84
Page 1 of 2

RIDER BDP

(N)

BACKUP DELIVERY POINT CAPACITY RIDER

BACKUP DELIVERY POINT (TRANSMISSION/DISTRIBUTION) CAPACITY

The Company will normally supply service to one premise at one standard voltage at one delivery point and through one meter to a Non-Residential Customer in accordance with the provisions of the applicable rate schedule and the Electric Service Regulations. Upon customer request, Company will make available to a Non-Residential Customer additional delivery points in accordance with the rates, terms and conditions of this Rider BDP.

NET MONTHLY BILL

1. **Connection Fee**
The Connection Fee applies only if an additional metering point is required and will be based on customer's most applicable rate schedule.
2. Monthly charges will be based on the unbundled distribution and/or transmission rates of the customer's most applicable rate schedule and the contracted amount of backup delivery point capacity.
3. The Customer shall also be responsible for the acceleration of costs, if any, that would not have otherwise been incurred by Company absent such request for additional delivery points. The terms of payment may be made initially or over a pre-determined term mutually agreeable to Company and Customers that shall not exceed the minimum term. In each request for service under this Rider, Company engineers will conduct a thorough review of the customer's request and the circuits affected by the request. The customer's capacity needs will be weighed against the capacity available on the circuit, anticipated load growth on the circuit, and any future construction plans that may be advanced by the request.

SPECIAL TERMS AND CONDITIONS

The Company will provide such backup delivery point capacity under the following conditions:

1. Company reserves the right to refuse backup delivery capacity to any Customer where such backup delivery service is reasonably estimated by Company to impede or impair current or future electric transmission or distribution service.
2. The amount of backup delivery point capacity shall be mutually agreed to by the Company and the Customer because the availability of specific electric system facilities to meet a Customer's request is unique to each service location.
3. System electrical configurations based on Customer's initial delivery point will determine whether distribution and/or transmission charges apply to Customer's backup delivery point.
4. In the event that directly assigned facilities are necessary to attach Customer's backup delivery point to the joint transmission or distribution systems, Company shall install such facilities and bill Customer the Company's full costs for such facilities and installations.

Issued pursuant to an Order of the Kentucky Public Service Commission dated
2006-00172.

in Case No.

Issued:

Effective:

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Duke Energy Kentucky
139 East Fourth Street
Cincinnati, Ohio 45202

KY.P.S.C. Electric No. 1
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SPECIAL TERMS AND CONDITIONS (Contd.)

5. Energy supplies via any backup delivery point established under this Rider BDP will be supplied under the applicable rate tariff and/or special contract.

6. Company and the Customer shall enter into a service agreement with a minimum term of five years. This service agreement shall contain the specific terms and conditions under which Customer shall take service under this Rider BDP.

7. Company does not guarantee uninterrupted service under this rider.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

Issued pursuant to an Order of the Kentucky Public Service Commission dated
2006-00172.

in Case No.

Issued:

Effective:

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. 88
Cancels and Supersedes
Original Sheet No. 88
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RIDER GP

GREEN POWER RIDER

APPLICABILITY

Applicable to all customers who ~~want~~wish to ~~contribute~~purchase "Green Power" from the ~~to a~~ Company-sponsored "Green Power" ~~fund~~program. ~~The term of this pilot program is three (3) years.~~This rider will be available until December 31, 2008. (D)
(C)

DEFINITION OF GREEN POWER

Green Power includes energy generated from renewable and/or environmentally friendly sources, including; ~~but not limited to: hydroelectric generation, photovoltaic generation, solar thermal generation, wind generation, biomass generation, and methane recovery.~~ (C)
(D)

Wind, Solar Photovoltaic, Biomass Co-firing of Agricultural Crops and All energy crops, Hydro – as certified by the Low Impact Hydro Institute, Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-firing of All Woody Waste including mill residue, but excluding painted or treated lumber. (N)

Green Power includes the purchase of Renewable Energy Certificates and/or Carbon Credits from the sources described above.

GREEN POWER RATE

1. Rate RS: (N)

For all Green Power kWh, including carbon credits, purchased per month \$0.025 per kWh

Minimum kWh purchase is 200 kWh. Additional purchases to be made in 100 kWh block increments.

2. All other rates:

Individually calculated Green Power Rate per service agreement which may also include carbon credits.

NET MONTHLY BILL

Customers who participate in under this Rider will be billed for electric service under all standard applicable tariffs including and all applicable riders. ~~The customer's contribution to the Green Power fund will be added to the customer's bill for electric service.~~ (C)
(D)

The purchase of Green Power, under this rider, will be billed at the applicable Green Power Rate times the amount of Green Power kWh the customer has agreed to purchase per month. The customer's monthly bill will consist of the sum of all kWh billed at the applicable rate tariffs, including all applicable riders, and the agreed to Green Power kWh blocks billed at the applicable Green Power Rate. (N)

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, 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. 88
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Original Sheet No. 88
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TERMS AND CONDITIONS

~~The Customer shall enter into a written service agreement with the Company that shall specify the monthly amount that the Customer will contribute to the Green Power fund. The contribution amount must be in whole dollars with one dollar (\$1.00) being the minimum contribution allowed. Funds collected through Rider GP will be used to purchase power from environmentally friendly sources as described in the DEFINITION OF GREEN POWER section. As sufficient amounts are collected in the Green Power fund to cover the costs of purchasing and also transmitting such electric power, the Company will purchase electric power generated from environmentally friendly sources. After three (3) years, if the contributions collected have been insufficient for ULH&P to purchase or develop Green Power energy sources, the monies contributed will be refunded to respective customers including six (6) percent annualized simple interest. The Company will file with the Commission on a semi-annual basis a report which shows the number of participants, amount of funds collected in the Green Power fund and the expenditures made during the preceding six month period as contemplated in this Rider.~~ (D)

1. The customer shall enter into a service agreement with Company that shall specify the amount in kWh blocks and price of Green Power to be purchased monthly. Customer shall give Company thirty (30) days notice prior to cancellation of participation in this rider. (C)
2. Funds from the Green Power Rate will be used to purchase Renewable Energy Certificates and/or carbon credits from renewable and environmentally friendly sources as described in the DEFINITION OF GREEN POWER section and for customer education, marketing, and costs of the Green Power Program.
3. Renewable Energy Certificate ("REC") shall mean tradable units that represent the commodity formed by unbundling the environmental attributes of a unit of renewable or environmentally friendly energy from the underlying electricity. One REC would be equivalent to the environmental attributes of one MWH of electricity from a renewable or environmentally friendly generation source.
4. Company may transfer RECs or Carbon Credits at the prevailing wholesale market prices to and from third parties, including affiliated Companies.
5. Company reserves the right to terminate the Rider or revise the pricing or minimum purchase amount of the Rider after giving 60 days notice.
6. Carbon Credit shall mean tradable units that represent the reduction of the release of a greenhouse gas in the equivalent of one ton CO₂.

Company may obtain carbon credits from purchased power, company owned generation, or purchased with funds collected from this rider.

~~The term of the service agreement will be for a minimum of one year.~~ (D)

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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Effective: April 3, 2006

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 89
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RIDER NM
NET METERING RIDER

AVAILABILITY

Net Metering is provided upon request and on a first-come, first-served basis. Net Metering is available to customers with a capacity of 15 kW or less. At its sole discretion, Company may provide Net Metering to other customers on a case-by-case basis. The total nameplate rating of all customer-generators under net metering is limited to one-percent (1%) of the Company's total peak system load. (C)

DEFINITION

"Net Metering" means measuring the difference in an applicable billing period between the amount of electricity supplied by the Company to a customer who generates electricity and the amount of electricity generated by such customer-generator that is delivered to Company.

BILLING

The measurement of net electricity supplied by the Company and delivered to the Company shall be calculated in the following manner. The Company shall measure the difference between the amount of electricity delivered by the Company to the customer and the amount of electricity generated by the customer and delivered to the Company during the billing period, in accordance with normal metering practices and using a bi-directional meter where feasible. If the kWh delivered by the Company to the customer exceeds the kWh delivered by the customer to the Company during the billing period, the customer shall be billed for the kWh difference. If the kWh generated by the customer and delivered to the Company exceeds the kWh supplied by the Company to the customer during the billing period, the customer shall be credited in the next billing cycle for the kWh difference. Any unused credit when the customer closes his account will be granted to the Company.

Bill charges and credits will be in accordance with the same standard tariff that would apply if the customer were not a customer-generator. If time-of-use metering is used, the electricity fed back to the electric grid by the customer shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-use billing agreement currently in place.

METERING:

The customer agrees to allow the Company to install, at the customer's expense, a single, bi-directional meter, for billing purposes, between the Company's system and the customer. If any additional meter, meters or distribution upgrades are needed to monitor the flow in each direction, including metering for time-of-use, this equipment shall be installed at the customer's expense.

TERMS AND CONDITIONS

In order to be eligible for Net Metering, the customer's generator must meet the following requirements:

- a. Use solar power;
- b. The generation equipment must be located on the customer's premises and owned by the customer;
- c. The generator must operate in parallel with the Company's distribution facilities;

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~

Effective: ~~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. 89
Cancels and Supersedes
Original Sheet No. 89
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TERMS AND CONDITIONS (Contd.)

- d. The customer's generation must be intended primarily to offset part or all of the customer's requirements for electricity; and
- e. The name plate rating of the customer's generator must not exceed 15 kW;
- f. The customer must sign an interconnection agreement with the Company, a sample of which is included with this tariff schedule as Appendix A.

A participating customer will install, at the customer's expense, all control and protective equipment required to ensure safe and reliable interconnection with the Company's electrical system. The Company shall at all times have immediate access to the customer's metering, control and protective equipment. The net metering system used by a customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the American National Standards Institute, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories, Inc. A customer's electric generating equipment that meets the requirements of this tariff can be transferred to another owner or installed at another location, provided that the customer notifies the Company and the Company verifies that the new location meets the tariff requirements.

The customer shall reimburse the Company for all interconnection costs that the Company reasonably incurs.

The customer-generator must provide a voltage wave shape that is a 60 Hertz sine wave that is clear, free from distortion, readable and otherwise compatible with the Company's equipment. The voltage amplitude must be compatible with the service voltage delivered by the Company. Any characteristic of the customer-generator that degrades the quality of service provided to other Company customers will not be permitted.

The customer agrees that the Company shall not be liable for any damage to, or breakdown of, the customer's equipment operated in parallel with the Company's electric system.

The customer shall agree to release, indemnify, and hold harmless the Company from any and all claims for injury to persons or damage to property due to or in any way connected with the operation of the customer's said generators.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and the Company's General Terms and Conditions, as filed with the Kentucky Public Service Commission.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with ~~IFS2006-00440~~ dated March 24, 2006 in Case No. 2006-00172.

Issued: ~~March 31, 2006~~

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

INTERCONNECTION AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF PHOTOVOLTAIC EQUIPMENT 15 KW OR SMALLER

This Interconnection Agreement is made and entered into this _____ day of _____, 20____, by and between DUKE ENERGY KENTUCKY ("Company"), and _____ ("Customer").

Customer is installing or has installed photovoltaic equipment including an inverter used to interconnect and operate in parallel with the Company's system, and described as follows:

Location: _____

Inverter Power Rating: _____

Inverter Manufacturer and Model Number: _____

Description of electrical installation of inverter and associated electrical equipment:

As shown on a single line diagram attached as "Exhibit A"

Or

Described as follows: _____

Requirement for Customer owned utility-interface disconnect switch:

Not required

Required. Must be in a location immediately accessible to Company at all times.

Customer agrees that the installation has been designed and installed to meet the requirements of IEEE Standard 1547-2003, "Standard for Interconnecting Distributed Resources with Electric Power Systems" and all applicable requirements of the National Electrical Code and local building codes.

Customer agrees that the inverter has been certified by Underwriters Laboratories (UL) as having satisfied the testing requirements of UL Standard 1741, "Standard for Inverters, Converters, and Controllers for Use in Independent Power Systems."

Company agrees to allow Customer to interconnect the inverter and operate it in parallel with the Company's system.

Customer's use of the inverter and associated electrical equipment is subject to the Company's ELECTRIC SERVICE REGULATIONS.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first above written.

DUKE ENERGY KENTUCKY

Customer

By: _____

By: _____

Title: _____

Title: _____

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Electric No. 1
First Revised Sheet No. 91
Cancels and Supersedes
Original Sheet No. 91
Page 1 of 1

CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Section 1, Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Electric Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for electricity used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).
- E. Where electric service was disconnected at the pole because the Company was unable to gain access to the meter, the reconnection charge shall be sixty-five dollars (\$65.00). If the gas service is also reconnected the charge shall be ninety dollars (\$90.00). (N)
- F. If the Company receives notice after 12:30 p.m. of a customer's desire for same day reinstatement of service and if the reconnection cannot be performed during normal business hours, the after hour reconnection charge for connection at the meter shall be fifty dollars (\$50.00). The after hour charge for reconnection at the pole shall be ninety dollars (\$90.00). (N)
- G. If a Company employee, whose original purpose was to disconnect the service, has provided the customer a means to avoid disconnection, service which otherwise would have been disconnected shall remain intact, and no reconnection charge shall be assessed. However, a collection charge of fifteen dollars (\$15.00) may be assessed. (N)

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated March 30, 2006 in Case No. 2006-00172024.

Issued: March 30, 2006

Effective: March 30, 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. 93
Cancels and Supersedes
Original Sheet No. 93
Page 1 of 2

**COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-100 KW OR LESS**

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 _____:

Issued: ~~March 31, 2006~~

Effective: ~~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. 93
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Original Sheet No. 93
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RATE SCHEDULES

Rates for Purchases from qualifying facilities:

Purchase Rate shall be \$0.03078/kWh for all kilowatt-hours delivered. (1)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

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Original Sheet No. 94
Page 1 of 3

COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-GREATER THAN 100 kW

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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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. 94
Cancels and Supersedes
Original Sheet No. 94
Page 2 of 3

RATE SCHEDULES

Rates for Purchases from qualifying facilities:

The Purchase Rate for all kilowatt-hours delivered shall be the locational marginal price for power purchased through the Midwest ISO day-ahead energy market, inclusive of the energy, congestion and losses charges, delivered to the Duke Energy Kentucky commercial price node. (C)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

Calculation Of Avoided Cost

~~The methodology to determine avoided cost involves the use of the Electric Generation Expansion Analysis System (EGEAS) to develop differential long run marginal costs between the Duke Energy Ohio/Duke Energy Kentucky's current optimum base case generation expansion plan and an optimum expansion plan including the QF. The key feature of the methodology is the complete reoptimization of the base case generation expansion plan including capital costs, fuel cost, and operation and maintenance expenses to insure that the ratepayer will remain indifferent toward the capacity and energy cost of any cogenerator or small power producer.~~ (D)

~~EGEAS is a proprietary generation expansion model written by the Massachusetts Institute of Technology under contract to the Electric Power Research Institute. The model uses a technique called dynamic programming to devise the optimum generation expansion plan. The dynamic programming module typically tests over 1,000 different generation expansion plans in arriving at the single best plan.~~

~~The first step is the preparation of a base case using the Duke Energy Ohio/Duke Energy Kentucky's current generation expansion plan. A change case is then prepared which incorporates both the technical characteristics including unit capacity and reliability and the duration of the contract of the qualifying facility (QF). With the QF entered as a committed unit, the EGEAS model reoptimizes the generation expansion plan by adjusting both utility unit sizes and timing to find the new least cost strategy. By specifying the cogenerator as a zero cost, must run source of energy, the model accumulates all long run marginal cost differences between the base case and the change case. Finally a levelized annuity based on the length of contract is calculated from the long run marginal cost. Transmission costs are added to yield the total avoided cost. The total avoided cost is then divided into capacity and energy components by subtracting the marginal energy cost from the total cost. The remainder is the avoided capacity cost. The method assumes that the avoided cost and thus the levelized payment to the qualifying facility begins on the commercial operation date of the QF.~~

~~Further explanation of this tariff and methodology can be obtained from the Company.~~

~~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, 2006

Issued by Sandra P. Meyer, President

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KY.P.S.C. Electric No. 1
First Revised Sheet No. 94
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Page 3 of 3

RATE SCHEDULES (Contd.)

Sample Rates

~~To illustrate the methodology, Table 1 below illustrates the results of applying the avoided cost calculation to a cogenerator whose capacity is 100 MW and whose availability is 86%. The actual credit depends on the capacity, availability and contract length of the prospective QF. The minimum capacity required to qualify for the capacity component is 1.5 MW.~~

(D)

<u>Cogen/Spp</u>	<u>Capacity</u>	<u>Weighted</u> <u>Energy</u>	<u>Total</u> <u>Cogen/Spp Credit</u>
<u>Contract Length</u>	<u>Component</u>	<u>Component</u>	<u>(¢/kWh All Hours)</u>
5 Yr.	0.81¢/kWh	1.95¢/kWh	2.76¢/kWh
10 Yr.	1.16¢/kWh	1.95¢/kWh	3.11¢/kWh
15 Yr.	1.63¢/kWh	1.95¢/kWh	3.58¢/kWh
20 Yr.	2.92¢/kWh	1.95¢/kWh	4.87¢/kWh

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 99
Cancel and Supersedes
Original Sheet No. 99
Page 1 of 4

**RATE RTP
REAL TIME PRICING PROGRAM**

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis through December 31, 2006. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (C)

PROGRAM DESCRIPTION

The RTP Program is voluntary and offers Customers the opportunity to manage their electric costs by either shifting load from higher cost to lower cost pricing periods and adding new load during lower cost pricing periods or to learn about market pricing. Binding Price Quotes will be sent to each Customer on a day-ahead basis. The program is intended to be bill neutral to each Customer with respect to their historical usage through the use of a Customer Baseline Load (CBL) and the Company's Standard Offer Rates.

CUSTOMER BASELINE LOAD

The CBL is one complete year of Customer hourly load data that represents the electricity consumption pattern and level of the Customer's operation under the Standard Rate Schedule. The CBL is the basis for achieving bill neutrality for Customers billed under this Rate RTP, and must be mutually agreeable to both the Customer and the Company as representing the Customer's usage pattern under the Standard Rate Schedule (non-RTP). In the event that the Customer's electricity consumption pattern differs significantly from the established CBL, the Company may renegotiate the CBL with the Customer. Agreement on the CBL is a requirement for participation in the RTP Program.

RTP BILLING

Customers participating in the RTP Program will be billed monthly based on the following calculation:

$$\text{RTP Bill} = \text{BC} + \text{PC} - \text{DSMR} + \sum_{t=1}^n \{ (\text{CC}_t + \text{ED}_t + \text{ASC}_t) \times (\text{AL}_t - \text{CBL}_t) \}$$

Where:

- BC = Baseline Charge
PC = Program Charge
~~DSMR = Rider DSMR Charge~~
CC_t = Commodity Charge for hour t
ED_t = Energy Delivery Charge for hour t
ASC_t = Ancillary Services Charge for hour t
AL_t = Customer Actual Load for hour t
CBL_t = Customer Baseline Load in hour t
n = total number of hours in the billing period
t = an hour in the billing period

BASELINE CHARGE

The Baseline Charge is independent of Customer's currently monthly usage, and is designed to achieve bill neutrality with the Customer's standard offer tariff if no change in electricity usage pattern occurs (less applicable program charges). The Baseline Charge is calculated at the end of the billing period and changes each billing period to maintain bill neutrality for a Customer's CBL.

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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1697-A Monmouth Street
Newport, Kentucky 41071

BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

$$BC = (\text{Standard Bill @ CBL})$$

Where:

BC = Baseline Charge
Standard Bill @ CBL = Customer's bill for a specific month on the applicable Rate Schedule including applicable Standard Contract Riders using the CBL to establish the applicable billing determinants.

The CBL shall be adjusted to reflect applicable metering adjustments under the Rate Schedule. All applicable riders The DSMR charge shall be excluded from the calculation of the Baseline Charge.

(C)
(D)

PRICE QUOTES

The Company will send to Customer, within two hours after the wholesale prices are published by the Midwest Independent Transmission System Organization, Inc. ("Midwest ISO") each day, Price Quotes to be charged the next day. Such Price Quotes shall include the applicable Commodity Charge, the Energy Delivery Charge and the Ancillary Services Charge.

(C)

The Company may send more than one-day-ahead Price Quotes for weekends and holidays identified in Company's tariffs. The Company may revise these prices the day before they become effective.

The Company is not responsible for failure of Customer to receive and act upon the Price Quotes. It is Customer's responsibility to inform Company of any failure to receive the Price Quotes the day before they become effective.

COMMODITY CHARGE

The Commodity Charge is a charge for generation. The applicable hourly Commodity Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL:

$$\begin{aligned} \text{For kWh}_t \text{ above the CBL}_t, \text{ CC}_t &= \text{MVG}_t \times \text{LAF} \\ \text{For kWh}_t \text{ below the CBL}_t, \text{ CC}_t &= \text{MVG}_t \times 80\% \times \text{LAF} \end{aligned}$$

Where:

LAF = loss adjustment factor
= 1.0530 for Rate TS
= 1.0800 for Rate DP
= 1.1100 for Rate DS
MVG_t = Market Value Of Generation As Determined By Company for hour t

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY. P.S.C. Electric No. 1
First Revised Sheet No. 99
Cancels and Supersedes
Original Sheet No. 99
Page 3 of 4

COMMODITY CHARGE (Contd.)

The MVG_t will be based on the expected market price of capacity and energy for the next day. The expected market price will be based on forecasts of market conditions for the next day using publicly available market indices and/or bona fide third-party price quotes to establish the expected market price.

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ENERGY DELIVERY CHARGE

The hourly Energy Delivery Charge is a charge for using the transmission and distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charge (Credit) shall be applied on a hour by hour basis to Customer's incremental (decremental) usage from the CBL.

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Service	\$0.006074 per kW Per Hour	(D)
Primary Service	\$0.005559 per kW Per Hour	
Transmission Service	\$0.002015 per kW Per Hour	

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:
Scheduling, System Control & Dispatch
Reactive and Voltage Control
Regulation and Frequency Response
Spinning Reserve
Supplemental Reserve

The applicable hourly Ancillary Services Charge (Credit) shall be applied on an hour by hour basis to Customer's incremental (decremental) usage from the CBL

Charge (Credit) For Each kW Per Hour From The CBL

Secondary Delivery.....	\$0.000760 per kW Per Hour
Primary Delivery.....	\$0.000740 per kW Per Hour
Transmission Delivery	\$0.000721 per kW Per Hour

The kW per hour incremental or decremental usage from the CBL shall be adjusted to reflect applicable metering adjustments under the standard Rate Schedule.

DSMR Charge

~~All kWh, adjusted to reflect required metering adjustments under this rate schedule, shall be subject to application of the amount per kWh stated on Sheet No. 78, Rider DSMR, Demand Side Management Rate (DSMR).~~

(D)

APPLICABLE RIDERS

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 83, Rider TCRM, Transmission Cost Recovery Mechanism

(N)

Issued by authority of an Order of the Kentucky Public Service Commission in accordance with TFS2006-00440 dated March 24, 2006 in Case No. 2006-00172.

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Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

PROGRAM CHARGE

Company will provide Internet based communication software to be used to provide Customer with the Price Quotes. Customer will be responsible for providing its own Internet access. A charge of \$150.00 per billing period per site shall be added to Customer's bill to cover the additional billing, administrative, and cost of communicating the hourly Price Quotes associated with the RTP Program.

Customer may purchase from either Company or any other third-party suppliers any other necessary equipment or software packages to facilitate participation in this program. While Customers are encouraged to use such equipment or software packages to maximize benefits under this Program, it is not a requirement for program participation. It is Customer's responsibility to ensure the compatibility of third-party equipment or software packages with any Company owned equipment or software packages.

SPECIAL TERM AND CONDITIONS

Except as provided in this Rate RTP, all terms, conditions, rates, and charges outlined in the Standard Rate Schedule will apply. Participation in the RTP Program will not affect Customer's obligations for electric service under the Standard Rate Schedule.

~~Customers receiving service under Rider IS or a special contract that contains an interruptible service provision will be eligible to participate in the RTP Program. Adjustments will be made to the CBL to reflect the interruptible service.~~

(D)

Customers who terminate their service agreement under this Rider RTP after the initial one (1) year term shall be ineligible to return to the program for twelve (12) months from the termination date.

The primary term of service is one (1) year consisting of a consecutive twelve month period.

Customers returning to the standard tariff shall have any historical demands in excess of the CBL, waived for purposes of calculating applicable billing demands.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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, 2006

Issued by Sandra P. Meyer, President

Before

KENTUCKY PUBLIC SERVICE COMMISSION

ELECTRIC CASE NO. 2006-00172

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR ELECTRIC SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION M

SECTION M

REVENUES AT PRESENT AND PROPOSED RATES

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended August 31, 2006

Forecast Period: Twelve Months Ended December 31, 2007

Schedules

M	Revenues at Present and Proposed Rates
M-2.1	Base Period Revenues at Average Rates
M-2.2	Revenues at Current Rates
M-2.3	Revenues at Proposed Rates

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
REVENUES AT PRESENT AND PROPOSED RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S).:
10 Year Normalized with Adjustments

SCHEDULE M
PAGE 1 OF 1
WITNESS:
JEFFREY R. BAILEY

WITH FUEL ADJUSTMENT CLAUSE

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B)	REVENUE AT PROPOSED RATES (C)	REVENUE CHANGE (AMOUNT) (D=C-B)	% OF REVENUE CHANGE (E=D / B)
1	RESIDENTIAL SERVICE (RS)	97,639,085	130,273,914	32,634,829	33.42%
2	TOTAL RESIDENTIAL	97,639,085	130,273,914	32,634,829	33.42%
3	DISTRIBUTION SERVICE (DS)	66,567,292	82,279,857	15,712,565	23.60%
4	DT PRIMARY TIME OF DAY (DT-PRI)	19,862,321	25,161,199	5,298,878	26.68%
5	DT SECONDARY TIME OF DAY (DT-SEC)	38,378,456	48,554,797	10,176,341	26.52%
6	ELEC SPACE HEATING (EH)	694,501	954,202	259,701	37.39%
7	SPORTS SERVICE (SP)	35,117	40,088	4,971	14.16%
8	SMALL FIXED LOADS (GSFL)	471,911	508,085	36,174	7.67%
9	PRIMARY VOLTAGE (DP)	1,764,802	2,263,509	498,707	28.26%
10	TOTAL DISTRIBUTION	127,774,400	159,761,737	31,987,337	25.03%
11	TIME OF DAY (TT)	8,534,952	10,000,112	1,465,160	17.17%
12	TOTAL TRANSMISSION	8,534,952	10,000,112	1,465,160	17.17%
13	DT PRIMARY-REAL TIME PRICING (DT-RTP PRI)	782,491	801,971	19,480	2.49%
14	DT SECONDARY-REAL TIME PRICING (DT-RTP SEC)	343,715	354,772	11,057	3.22%
15	DS-REAL TIME PRICING (DS-RTP)	70,100	72,568	2,468	3.52%
16	TT-REAL TIME PRICING (TT-RTP)	404,272	409,837	5,565	1.38%
17	TOTAL REAL TIME PRICING	1,600,578	1,639,148	38,570	2.41%
18	STREET LIGHTING (SL)	1,164,518	1,368,387	203,869	17.51%
19	TRAFFIC LIGHTING (TL)	262,097	316,864	54,767	20.90%
20	UNMTRD OUTDR LIGHT (UOLS)	362	450	88	24.31%
21	OUTDOOR LIGHT SERV (OL)	521,455	613,204	91,749	17.59%
22	NON STD STREET LIGHT (NSU)	53,753	62,982	9,229	17.17%
23	NON STD POL'S (NSP)	44,730	52,167	7,437	16.63%
24	S L - CUST OWNED (SC)	3,250	4,030	780	24.00%
25	S L - OVRHD EQUIV (SE)	144,046	169,098	25,052	17.39%
26	TOTAL LIGHTING	2,194,211	2,587,182	392,971	17.91%
27	TOTAL RETAIL REVENUE	237,743,226	304,262,093	66,518,867	27.98%
28	INTERDEPARTMENTAL	142,091	176,156	34,065	23.97%
29	INTERRUPTIBLE DEMAND CR	(58,320)	(58,320)	0	0.00%
30	BAD CHECK CHARGES	11,012	11,012	0	0.00%
31	RECONNECTION CHGS	57,413	57,413	0	0.00%
32	RENTS	1,505,049	1,505,049	0	0.00%
33	SPECIAL CONTRACTS	12,408	19,650	7,242	58.37%
34	OTHER MISC	463,106	463,106	0	0.00%
35	TOTAL MISC	2,132,759	2,174,066	41,307	1.94%
36	TOTAL REVENUE	239,875,985	306,436,159	66,560,174	27.75%

Prepared 5/25/06 12:50pm

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
FORECAST PERIOD REVENUES AT AVERAGE RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.1
PAGE 1 OF 1
WITNESS:
JEFFREY R. BAILEY

FORECAST PERIOD ACTUAL

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	BASE PERIOD	AVERAGE	% OF REV	FUEL COST	BASE PERIOD	% OF REV
					REVENUE LESS FUEL COST REVENUE (E)		EXCLUSIVE OF FUEL COST (G)		REVENUE TOTAL (I)	
				(KWH)	(\$)	(¢/KWH)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERV	1,457,429	1,512,771,000	101,458,832	6.71	40.49	(3,819,747)	97,639,085	40.70
2	DS	DISTRIBUTION SERV	147,481	1,033,533,000	69,176,963	6.69	27.61	(2,609,671)	66,567,292	27.75
3	DT-PRI	TIME OF DAY	427	432,484,392	20,954,345	4.85	8.36	(1,092,024)	19,862,321	8.28
4	DT-SEC	TIME OF DAY	2,258	725,010,608	40,209,107	5.55	16.05	(1,830,651)	38,378,456	16.00
5	EH	ELEC SPACE HEATING	863	14,029,000	729,924	5.20	0.29	(35,423)	694,501	0.29
6	SP	SPORTS SERV	320	402,000	36,132	8.99	0.01	(1,015)	35,117	0.01
7	GSFL	SMALL FIXED LOADS	10,358	6,218,000	487,611	7.84	0.19	(15,700)	471,911	0.20
8	DP	PRIMARY VOLTAGE	151	34,038,000	1,850,748	5.44	0.74	(85,946)	1,764,802	0.74
9	TT	TIME OF DAY	162	180,183,000	8,989,914	4.99	3.59	(454,962)	8,534,952	3.56
10	DT-RTP PRI	REAL TIME PRICING	12	19,899,851	1,112,152	5.59	0.44	(329,661)	782,491	0.33
11	DT-RTP SEC	REAL TIME PRICING	24	8,057,149	477,190	5.92	0.19	(133,475)	343,715	0.14
12	DS-RTP	REAL TIME PRICING	36	1,005,000	86,749	8.63	0.03	(16,649)	70,100	0.03
13	TT-RTP	REAL TIME PRICING	24	11,500,000	594,781	5.17	0.24	(190,509)	404,272	0.17
14	SL	STREET LIGHTING	142,529	11,420,000	1,193,353	10.45	0.48	(28,835)	1,164,518	0.49
15	TL	TRAFFIC LIGHTING	88,620	6,033,000	277,330	4.60	0.11	(15,233)	262,097	0.11
16	UOLS	UNMTRD OUTDR LIGHT	110	13,000	395	3.04	0.01	(33)	362	-
17	OL	OUTDOOR LIGHT SERV	51,832	5,241,000	534,689	10.20	0.21	(13,234)	521,455	0.22
18	NSU	NON STD STREET LIGHT	8,739	450,000	54,889	12.20	0.02	(1,136)	53,753	0.02
19	NSP	NON STD POL'S	5,189	290,000	45,462	15.68	0.02	(732)	44,730	0.02
20	SC	S L - CUST OWNED	2,224	114,000	3,538	3.10	-	(288)	3,250	-
21	SE	S L - OVR HD EQUIV	22,773	1,367,000	147,498	10.79	0.06	(3,452)	144,046	0.06
22	ID01	INTERDEPARTMENTAL	12	2,114,000	147,429	6.97	0.06	(5,338)	142,091	0.06
23	IS	INTERRUPTIBLE DEMAND CR	0	0	(58,320)	-	(0.02)	0	(58,320)	(0.02)
24		BAD CHECK CHARGES	0	0	11,012	-	0.01	0	11,012	-
25		RECONNECTION CHGS	0	0	57,413	-	0.02	0	57,413	0.02
26		RENTS	0	0	1,505,049	-	0.60	0	1,505,049	0.63
27	WS	SPECIAL CONTRACTS	126	322,000	13,221	4.11	0.01	(813)	12,408	0.01
28		OTHER MISC	0	0	463,106	-	0.18	0	463,106	0.18
29	TOTAL		1,941,699	4,006,495,000	250,560,512	6.25	100.00	(10,684,527)	239,875,985	100.00

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 AND M-2.3.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
TYPE OF FILING: ___ X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 1 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST (K)	% OF REV TO TOTAL LESS FUEL COST (L)	REVENUE INCR LESS FUEL COST (F - K) (M)	% INCR IN REV LESS FUEL COST (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(¢/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERV	1,457,429	1,512,771,000	6.71	101,458,832	100.00	28,815,082	28.4	(3,819,747)	97,639,085	29.5
2		TOTAL RESIDENTIAL	1,457,429	1,512,771,000	6.71	101,458,832	40.49	28,815,082	28.4	(3,819,747)	97,639,085	29.5
3	DS	DISTRIBUTION SERV	147,481	1,033,533,000	6.69	69,176,963	51.84	13,102,894	18.9	(2,609,671)	66,567,292	19.7
4	DT-PRI	TIME OF DAY	427	432,484,392	4.85	20,954,345	15.70	4,206,854	20.1	(1,092,024)	19,862,321	21.2
5	DT-SEC	TIME OF DAY	2,258	725,010,608	5.55	40,209,107	30.13	8,345,690	20.8	(1,830,651)	38,378,456	21.7
6	EH	ELEC SPACE HEATING	863	14,029,000	5.20	729,924	0.55	224,278	30.7	(35,423)	694,501	32.3
7	SP	SPORTS SERV	320	402,000	8.99	36,132	0.03	3,956	10.9	(1,015)	35,117	11.3
8	GSFL	SMALL FIXED LOADS	10,358	6,218,000	7.84	487,611	0.37	20,474	4.2	(15,700)	471,911	4.3
9	DP	PRIMARY VOLTAGE	151	34,038,000	5.44	1,850,748	1.38	412,761	22.3	(85,946)	1,764,802	23.4
10		TOTAL DISTRIBUTION	161,858	2,245,715,000	5.94	133,444,830	53.26	26,316,907	19.7	(5,670,430)	127,774,400	20.6
11	TT	TIME OF DAY	162	180,183,000	4.99	8,989,914	100.00	1,010,198	11.2	(454,962)	8,534,952	11.8
12		TOTAL TRANSMISSION	162	180,183,000	4.99	8,989,914	3.59	1,010,198	11.2	(454,962)	8,534,952	11.8
13	DT-RTP PRI	REAL TIME PRICING	12	19,899,851	5.59	1,112,152	48.97	19,480	1.8	(329,661)	782,491	2.5
14	DT-RTP SEC	REAL TIME PRICING	24	8,057,149	5.92	477,190	21.01	11,057	2.3	(133,475)	343,715	3.2
15	DS-RTP	REAL TIME PRICING	36	1,005,000	8.63	86,749	3.82	2,468	2.8	(16,649)	70,100	3.5
16	TT-RTP	REAL TIME PRICING	24	11,500,000	5.17	594,781	26.20	5,565	0.9	(190,509)	404,272	1.4
17		TOTAL REAL TIME PRICING	96	40,462,000	5.61	2,270,872	0.91	38,570	1.7	(670,294)	1,600,578	2.4
18	SL	STREET LIGHTING	142,529	11,420,000	10.45	1,193,353	52.87	175,034	14.7	(28,835)	1,164,518	15.0
19	TL	TRAFFIC LIGHTING	88,620	6,033,000	4.60	277,330	12.29	39,534	14.3	(15,233)	262,097	15.1
20	UOLS	UNMTRD OUTDR LIGHT	110	13,000	3.04	395	0.02	55	13.9	(33)	362	15.2
21	OL	OUTDOOR LIGHT SERV	51,832	5,241,000	10.20	534,689	23.69	78,515	14.7	(13,234)	521,455	15.1
22	NSU	NON STD STREET LIGHT	8,739	450,000	12.20	54,889	2.43	8,093	14.7	(1,136)	53,753	15.1
23	NSP	NON STD POL'S	5,189	290,000	15.68	45,462	2.01	6,705	14.7	(732)	44,730	15.0
24	SC	S L - CUST OWNED	2,224	114,000	3.10	3,538	0.16	492	13.9	(288)	3,250	15.1
25	SE	S L - OVR HD EQUIV	22,773	1,367,000	10.79	147,498	6.53	21,600	14.6	(3,452)	144,046	15.0
26		TOTAL LIGHTING	322,016	24,928,000	9.05	2,257,154	0.90	330,028	14.6	(62,943)	2,194,211	15.0
27	ID01	INTERDEPARTMENTAL	12	2,114,000	6.97	147,429	6.90	28,727	19.5	(5,338)	142,091	20.2
28	IS	INTERRUPTIBLE DEMAND CI	0	0	-	(58,320)	(2.73)	0	0.0	0	(58,320)	0.0
29		BAD CHECK CHARGES	0	0		11,012	0.51	0	0.0	0	11,012	0.0
30		RECONNECTION CHGS	0	0		57,413	2.68	0	0.0	0	57,413	0.0
31		RENTS	0	0		1,505,049	70.37	0	0.0	0	1,505,049	0.0
32	WS	SPECIAL CONTRACTS	126	322,000	4.11	13,221	0.62	6,429	48.6	(813)	12,408	51.8
33		OTHER MISC	0	0	-	463,106	21.65	0	0.0	0	463,106	0.0
34		TOTAL MISC	138	2,436,000	87.80	2,138,910	0.85	35,156	1.6	(6,151)	2,132,759	1.6
35		TOTAL	1,941,699	4,006,495,000	6.25	250,560,512	100.00	56,545,941	22.6	(10,684,527)	239,875,985	23.6

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 PAGES 2 THROUGH 21.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.2
PAGE 2 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL										
2	SUMMER:											
3	CUSTOMER CHARGE:											
4	BILLS		485,805		\$3.73	1,812,053	1.8	616,972	34.0		1,812,053	34.0
5	ENERGY CHARGE (3):											
6	FIRST 1000 KWH			382,736,649	\$0.065620	25,115,179	24.8	6,000,928	23.9	(966,410)	24,148,769	24.8
7	ADDITIONAL KWH			197,395,902	\$0.068730	13,567,020	13.3	2,481,069	18.3	(498,425)	13,068,595	19.0
8	TOTAL			580,132,551		38,682,199	38.1	8,481,997	21.9	(1,464,835)	37,217,364	22.8
9	TOTAL SUMMER		485,805	580,132,551		40,494,252	39.9	9,098,969	22.5	(1,464,835)	39,029,417	23.3
10	WINTER:											
11	CUSTOMER CHARGE:											
12	BILLS		971,624		\$3.73	3,624,158	3.6	1,233,962	34.0		3,624,158	34.0
13	ENERGY CHARGE (3):											
14	FIRST 1000 KWH			675,864,431	\$0.065620	44,350,224	43.7	10,596,878	23.9	(1,706,557)	42,643,667	24.8
15	ADDITIONAL KWH			256,774,018	\$0.050590	12,990,198	12.8	7,885,273	60.7	(648,355)	12,341,843	63.9
16	TOTAL			932,638,449		57,340,422	56.5	18,482,151	32.2	(2,354,912)	54,985,510	33.6
17	TOTAL WINTER		971,624	932,638,449		60,964,580	60.1	19,716,113	32.3	(2,354,912)	58,609,668	33.6
18	TOTAL RATE RS		1,457,429	1,512,771,000		101,458,832	100.0	28,815,082	28.4	(3,819,747)	97,639,085	29.5

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST	% INCR IN REV LESS FUEL COST	FUEL COST	CURRENT TOTAL REVENUE	TOTAL REVENUE % INCREASE
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DS	SERVICE AT										
2		DISTRIBUTION VOLTAGE										
3		CUSTOMER CHARGE:										
4		LOAD MANAGEMENT RIDER	1,420		\$100.00	142,000	0.2	0	0.0		142,000	0.0
5		SINGLE PHASE	84,787		\$5.00	423,935	0.6	211,968	50.0		423,935	50.0
6		THREE PHASE	61,274		\$10.00	612,740	0.9	306,370	50.0		612,740	50.0
7		TOTAL CUSTOMER CHARGE	147,481			1,178,675	1.7	518,338	44.0		1,178,675	44.0
8		DEMAND CHARGE:										
9		FIRST 15 KW		1,389,688	\$0.00	0	0.0	0	0.0		0	0.0
10		ADDITIONAL KW		2,331,030	\$6.53	15,221,626	22.0	3,426,614	22.5		15,221,626	22.5
11		TOTAL DEMAND		3,720,718		15,221,626	22.0	3,426,614	22.5		15,221,626	22.5
12		ENERGY CHARGE (3):										
13		FIRST 6000 KWH		361,839,903	\$0.068960	24,952,480	36.1	4,259,217	17.1	(913,646)	24,038,834	17.7
14		NEXT 300KWH/KWH		568,546,503	\$0.042100	23,935,808	34.6	4,212,929	17.6	(1,435,580)	22,500,228	18.7
15		ADDITIONAL KWH		100,769,468	\$0.034970	3,523,908	5.1	599,780	17.0	(254,443)	3,269,465	18.3
16		NON-CHURCH "CAP" RATE		1,240,240	\$0.190330	236,055	0.3	55,710	23.6	(3,132)	232,923	23.9
17		CHURCH CAP RATE		1,136,886	\$0.112950	128,411	0.2	30,306	23.6	(2,870)	125,541	24.1
18		TOTAL ENERGY		1,033,533,000		52,776,662	76.3	9,157,942	17.4	(2,609,671)	50,166,991	18.3
19		TOTAL RATE DS	147,481	1,033,533,000		69,176,963	100.0	13,102,894	18.9	(2,609,671)	66,567,292	19.7

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

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(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
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CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS (F - K) (M)	% INCR IN REV LESS (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DT-PRI	TIME OF DAY PRIMARY										
2	SUMMER:											
3	CUSTOMER CHARGE:											
4	SINGLE PHASE		0		\$5.00	0	0.0	0	0.0		0	0.0
5	THREE PHASE		0		\$10.00	0	0.0	0	0.0		0	0.0
6	PRIMARY VOLTAGE		142		\$100.00	14,200	0.2	0	0.0		14,200	0.0
7	TOTAL CUSTOMER CHARGE		142			14,200	0.2	0	0.0		14,200	0.0
8	DEMAND CHARGE:											
9	ON PEAK KW			249,229	\$9.71	2,420,014	31.8	461,073	19.1		2,420,014	0.0
10	OFF PEAK KW			19,073	\$1.00	19,073	0.3	3,624	19.0		19,073	19.0
11	SUB-TOTAL			268,302		2,439,087	32.1	464,697	19.1		2,439,087	19.1
12	PRIMARY SERV. DIS.											
13	FIRST 1000 KW			102,660	(\$0.50)	(51,330)	(0.7)	(15,399)	30.0		(51,330)	30.0
14	ADDITIONAL KW			146,569	(\$0.35)	(51,299)	(0.7)	(21,986)	42.9		(51,299)	42.9
15	TOTAL DEMAND			249,229		2,336,458	30.7	427,312	18.3		2,336,458	18.3
16	ENERGY CHARGE (3):											
17	ALL KWH			149,172,087	\$0.035190	5,249,366	69.1	1,004,972	19.1	(376,660)	4,872,706	20.6
18	TOTAL SUMMER		142	149,172,087		7,600,024	100.0	1,432,284	18.8	(376,660)	7,223,364	19.8
19	WINTER:											
20	CUSTOMER CHARGE:											
21	SINGLE PHASE		0		\$5.00	0	0.0	0	0.0		0	0.0
22	THREE PHASE		0		\$10.00	0	0.0	0	0.0		0	0.0
23	PRIMARY VOLTAGE		285		\$100.00	28,500	0.2	0	0.0		28,500	0.0
24	TOTAL CUSTOMER CHARGE		285			28,500	0.2	0	0.0		28,500	0.0
25	DEMAND CHARGE:											
26	ON PEAK KW			435,861	\$8.03	3,499,964	26.2	924,025	26.4		3,499,964	0.0
27	OFF PEAK KW			38,147	\$1.00	38,147	0.2	7,248	19.0		38,147	19.0
28	SUB-TOTAL			474,008		3,538,111	26.4	931,273	26.3		3,538,111	26.3
29	PRIMARY SERV. DIS.											
30	FIRST 1000 KW			196,653	(\$0.50)	(98,327)	(0.7)	(29,497)	30.0		(98,327)	30.0
31	ADDITIONAL KW			239,208	(\$0.35)	(83,723)	(0.6)	(35,881)	42.9		(83,723)	42.9
32	TOTAL DEMAND			435,861		3,356,061	25.1	865,895	25.8		3,356,061	25.8
33	ENERGY CHARGE (3):											
34	ALL KWH			283,312,305	\$0.035190	9,969,760	74.7	1,908,675	19.1	(715,364)	9,254,396	20.6
35	TOTAL WINTER		285	283,312,305		13,354,321	100.0	2,774,570	20.8	(715,364)	12,638,957	22.0
36	TOTAL RATE DT PRIMARY		427	432,484,392		20,954,345	100.0	4,206,854	20.1	(1,092,024)	19,862,321	21.2

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
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FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD X FORECASTED PERIOD
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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DT-SEC	TIME OF DAY SECONDARY										
2	SUMMER:											
3	CUSTOMER CHARGE:											
4	SINGLE PHASE		0		\$5.00	0	0.0	0	0.0		0	0.0
5	THREE PHASE		753		\$10.00	7,530	0.1	3,765	50.0		7,530	50.0
6	PRIMARY VOLTAGE		0		\$100.00	0	0.0	0	0.0		0	0.0
7	TOTAL CUSTOMER CHARGE		753			7,530	0.1	3,765	50.0		7,530	50.0
8	DEMAND CHARGE:											
9	ON PEAK KW			590,891	\$9.71	5,737,552	38.5	1,093,148	19.1		5,737,552	0.0
10	OFF PEAK KW			8,404	\$1.00	8,404	0.1	1,597	19.0		8,404	19.0
11	SUB-TOTAL			599,295		5,745,956	38.6	1,094,745	19.1		5,745,956	19.1
12	PRIMARY SERV. DIS.											
13	FIRST 1000 KW			0	(\$0.50)	0	0.0	0	0.0		0	0.0
14	ADDITIONAL KW			0	(\$0.35)	0	0.0	0	0.0		0	0.0
15	TOTAL DEMAND			0		5,745,956	38.6	1,094,745	19.1		5,745,956	19.1
16	ENERGY CHARGE (3):											
17	ALL KWH			258,606,055	\$0.035190	9,100,347	61.3	1,742,229	19.1	(652,980)	8,447,367	20.6
18	TOTAL SUMMER		753	258,606,055		14,853,833	100.0	2,840,739	19.1	(652,980)	14,200,853	20.0
19	WINTER:											
20	CUSTOMER CHARGE:											
21	SINGLE PHASE		0		\$5.00	0	0.0	0	0.0		0	0.0
22	THREE PHASE		1,505		\$10.00	15,050	0.1	7,525	50.0		15,050	50.0
23	PRIMARY VOLTAGE		0		\$100.00	0	0.0	0	0.0		0	0.0
24	TOTAL CUSTOMER CHARGE		1,505			15,050	0.1	7,525	50.0		15,050	50.0
25	DEMAND CHARGE:											
26	ON PEAK KW			1,108,940	\$8.03	8,904,788	35.1	2,350,953	26.4		8,904,788	0.0
27	OFF PEAK KW			22,660	\$1.00	22,660	0.1	4,305	19.0		22,660	19.0
28	SUB-TOTAL			1,131,600		8,927,448	35.2	2,355,258	26.4		8,927,448	26.4
29	PRIMARY SERV. DIS.											
30	FIRST 1000 KW			0	(\$0.50)	0	0.0	0	0.0		0	0.0
31	ADDITIONAL KW			0	(\$0.35)	0	0.0	0	0.0		0	0.0
32	TOTAL DEMAND			0		8,927,448	35.2	2,355,258	26.4		8,927,448	26.4
33	ENERGY CHARGE (3):											
34	ALL KWH			466,404,553	\$0.035190	16,412,776	64.7	3,142,168	19.1	(1,177,671)	15,235,105	20.6
35	TOTAL WINTER		1,505	466,404,553		25,355,274	100.0	5,504,951	21.7	(1,177,671)	24,177,603	22.8
36	TOTAL RATE DT SECONDARY		2,258	725,010,608		40,209,107	100.0	8,345,690	20.8	(1,830,651)	38,378,456	21.7

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
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(ELECTRIC SERVICE)

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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
(A)	(B)	(C)	(D)	(E)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
			(KW/KWH)		(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	EH	OPTIONAL RATE FOR										
2		ELEC. SPACE HEATING										
3		CUSTOMER CHARGE:										
4		SINGLE PHASE	240		\$5.00	1,200	0.2	600	50.0		1,200	50.0
5		THREE PHASE	623		\$10.00	6,230	0.8	3,115	50.0		6,230	50.0
6		PRIMARY VOLTAGE	0		\$100.00	0	0.0	0	0.0		0	0.0
7		TOTAL CUSTOMER CHARGE	863			7,430	1.0	3,715	50.0		7,430	50.0
8		DEMAND CHARGE:										
9		ALL KW		57,454	\$0.00	0	0.0	0	0.0		0	0.0
10		ENERGY CHARGE (3):										
11		ALL CONSUMPTION		14,029,000	\$0.051500	722,494	99.0	220,563	30.5	(35,423)	687,071	32.1
12		TOTAL RATE EH	863	14,029,000		729,924	100.0	224,278	30.7	(35,423)	694,501	32.3

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
			(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	SP	SPORTS SERVICE										
2		MINIMUM BILLS	0		(4)	0	0.0	0	0.0	0	0	0.0
3		CUSTOMER CHARGE	320		\$5.00	1,600	4.4	800	50.0	1,600	1,600	50.0
4		ENERGY CHARGE (3):										
5		ALL CONSUMPTION		402,000	\$0.085900	34,532	95.6	3,156	9.1	(1,015)	33,517	9.4
6		TOTAL RATE SP	320	402,000		36,132	100.0	3,956	10.9	(1,015)	35,117	11.3
7		GSFI SMALL FIXED LOADS										
8		MINIMUM BILLS	377	0	\$2.50	943	0.2	71	7.5	0	943	7.5
9		BASE RATE (3):										
10		LOAD RANGE 540 TO 720 HRS	48	7,462	\$0.067910	507	0.1	20	3.9	(19)	488	4.1
11		LOAD RANGE LESS THAN 540 HRS	9,933	6,210,538	\$0.078280	486,161	99.7	20,383	4.2	(15,681)	470,480	4.3
12		TOTAL RATE GSFL	10,358	6,218,000		487,611	100.0	20,474	4.2	(15,700)	471,911	4.3

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
(4) 1.5% OF INSTALLED TRANSFORMER AND METERING COSTS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST	% INCR IN REV LESS FUEL COST	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE	TOTAL REVENUE % INCREASE
(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)	
			(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)	
1	DP	SERVICE AT PRIMARY DISTRIBUTION VOLTAGE										
3		CUSTOMER CHARGE:										
4		LOAD MANAGEMENT RIDER	24		\$100.00	2,400	0.1	0	0.0		2,400	0.0
5		PRIMARY VOLTAGE	127		\$100.00	12,700	0.7	0	0.0		12,700	0.0
6		TOTAL CUSTOMER CHARGE	151			15,100	0.8	0	0.0		15,100	0.0
7		DEMAND CHARGE:										
8		ALL KW		76,672	\$6.08	466,166	25.2	108,874	23.4		466,166	23.4
9		TOTAL DEMAND		76,672		466,166	25.2	108,874	23.4		466,166	23.4
10		ENERGY CHARGE (3):										
11		FIRST 300KWH/KW		23,550,976	\$0.042520	1,001,387	54.1	216,363	21.6	(59,466)	941,921	23.0
12		ADDITIONAL KWH		10,487,024	\$0.035100	368,095	19.9	87,524	23.8	(26,480)	341,615	25.6
13		TOTAL ENERGY		34,038,000		1,369,482	74.0	303,887	22.2	(85,946)	1,283,536	23.7
14		TOTAL RATE DP	151	34,038,000		1,850,748	100.0	412,761	22.3	(85,946)	1,764,802	23.4

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST REV	% INCR IN REV LESS FUEL COST REV	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE	TOTAL REVENUE
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K+H)	(O)
				(KWH/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	TT	TIME OF DAY										
2		SUMMER:										
3		CUSTOMER CHARGE	54		\$500.00	27,000	1.0	0	0.0		27,000	0.0
4		DEMAND CHARGE:										
5		ON PEAK KW		134,016	\$6.52	873,784	32.6	103,193	11.8		873,784	11.8
6		OFF PEAK KW		9,537	\$1.00	9,537	0.4	1,049	11.0		9,537	11.0
7		TOTAL DEMAND		143,553		883,321	33.0	104,242	11.8		883,321	11.8
8		ENERGY CHARGE (3):										
9		ALL KWH		50,774,582	\$0.034850	1,769,494	66.0	195,330	11.0	(128,206)	1,641,288	11.9
10		TOTAL SUMMER	54	50,774,582		2,679,815	100.0	299,572	11.2	(128,206)	2,551,609	11.7
11		WINTER:										
12		CUSTOMER CHARGE	108		\$500.00	54,000	0.9	0	0.0		54,000	0.0
13		DEMAND CHARGE:										
14		ON PEAK KW		325,064	\$5.33	1,732,591	27.5	211,292	12.2		1,732,591	12.2
15		OFF PEAK KW		13,625	\$1.00	13,625	0.2	1,499	11.0		13,625	11.0
16		TOTAL DEMAND		338,689		1,746,216	27.7	212,791	12.2		1,746,216	12.2
17		ENERGY CHARGE (3):										
18		ALL KWH		129,408,418	\$0.034850	4,509,883	71.4	497,835	11.0	(326,756)	4,183,127	11.9
19		TOTAL WINTER	108	129,408,418		6,310,099	100.0	710,626	11.3	(326,756)	5,983,343	11.9
20		TOTAL RATE TT	162	180,183,000		8,989,914	100.0	1,010,198	11.2	(454,962)	8,534,952	11.8

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DT RTP	TIME OF DAY SERVICE AT PRIMARY DISTRIBUTION VOLTAGE										
2												
3	CUSTOMER CHARGE:											
4	BILLS (Real-Time Pricing)		12		\$150.00	1,800	0.2	396	22.0		1,800	22.0
5	TOTAL CUSTOMER CHARGE		12			1,800	0.2	396	22.0		1,800	22.0
6	ENERGY CHARGE:											
7	ALL KWH			19,899,851	\$0.004600	91,539	8.2	19,084	20.8		91,539	20.8
8	ANCILLARY SERVICES			19,899,851	\$0.000740	14,726	1.3	0	0.0		14,726	0.0
9	COMMODITY CHARGES			19,899,851	\$0.050457	1,004,087	90.3	0	0.0	(329,661)	674,426	0.0
10	TOTAL ENERGY			19,899,851		1,110,352	99.8	19,084	1.7	(329,661)	780,691	2.4
11	TOTAL RATE DT RTP PRIMARY		12	19,899,851		1,112,152	100.0	19,480	1.8	(329,661)	782,491	2.5

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DT RTP	TIME OF DAY SERVICE AT SECONDARY DISTRIBUTION VOLTAGE										
2												
3		CUSTOMER CHARGE:										
4	BILLS (Real-Time Pricing)		24		\$150.00	3,600	0.8	792	22.0		3,600	22.0
5	TOTAL CUSTOMER CHARGE		24			3,600	0.8	792	22.0		3,600	22.0
6		ENERGY CHARGE:										
7	ALL KWH			8,057,149	\$0.004800	38,674	8.1	10,265	26.5		38,674	26.5
8	ANCILLARY SERVICES			8,057,149	\$0.000760	6,123	1.3	0	0.0		6,123	0.0
9	COMMODITY CHARGES			8,057,149	\$0.053219	428,793	89.8	0	0.0	(133,475)	295,318	0.0
10	TOTAL ENERGY			8,057,149		473,590	99.2	10,265	2.2	(133,475)	340,115	3.0
11	TOTAL RATE DT RTP SECONDARY		24	8,057,149		477,190	100.0	11,057	2.3	(133,475)	343,715	3.2

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD X FORECASTED PERIOD
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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		DS RTP SERVICE AT SECONDARY DISTRIBUTION VOLTAGE										
2												
3		CUSTOMER CHARGE:										
4		BILLS (Real-Time Pricing)	36		\$150.00	5,400	6.2	1,188	22.0		5,400	22.0
5		TOTAL CUSTOMER CHARGE	36			5,400	6.2	1,188	22.0		5,400	22.0
6		ENERGY CHARGE:										
7		ALL KWH		1,005,000	\$0.004800	4,824	5.6	1,280	26.5		4,824	26.5
8		ANCILLARY SERVICES		1,005,000	\$0.000760	764	0.9	0	0.0		764	0.0
9		COMMODITY CHARGES		1,005,000	\$0.075384	75,761	87.3	0	0.0	(16,649)	59,112	0.0
10		TOTAL ENERGY		1,005,000		81,349	93.8	1,280	1.6	(16,649)	64,700	2.0
11		TOTAL RATE DS RTP	36	1,005,000		86,749	100.0	2,468	2.8	(16,649)	70,100	3.5

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	TT RTP	TIME OF DAY SERVICE AT										
2		TRANSMISSION VOLTAGE										
3	CUSTOMER CHARGE:											
4	BILLS (Real-Time Pricing)		24		\$150.00	3,600	0.6	792	22.0		3,600	22.0
5	TOTAL CUSTOMER CHARGE		24			3,600	0.6	792	22.0		3,600	22.0
6	ENERGY CHARGE:											
7	ALL KWH			11,500,000	\$0.001600	18,400	3.1	4,773	25.9		18,400	25.9
8	ANCILLARY SERVICES			11,500,000	\$0.000721	8,292	1.4	0	0.0		8,292	0.0
9	COMMODITY CHARGES			11,500,000	\$0.049086	564,489	94.9	0	0.0	(190,509)	373,980	0.0
10	TOTAL ENERGY			11,500,000		591,181	99.4	4,773	0.8	(190,509)	400,672	1.2
11	TOTAL RATE TT RTP		24	11,500,000		594,781	100.0	5,565	0.9	(190,509)	404,272	1.4

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY - KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
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SCHEDULE M-2.2
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WITNESS RESPONSIBLE:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D) (KWH)	MOST CURRENT RATES(1A) (J) (\$/UNIT)	CURRENT REVENUE LESS FUEL COST REVENUE (K) (\$)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L) (%)	REVENUE INCR LESS FUEL COST REV (F - K) (M) (\$)	% INCR IN REV LESS (M / K) (N) (%)	FUEL COST REVENUE (2) (H) (\$)	CURRENT TOTAL REVENUE (K + H) (K1) (\$)	TOTAL REVENUE % INCREASE (M / K1) (O) (%)
1	SL	STREET LIGHTING -- CO OWNED & MAINTAINED										
2		OVERHEAD DISTRIBUTION:										
3		MERCURY VAPOR :										
4		7,000 LUMEN (OPEN)	24	1,706	5.02	120	0.0	18	15.0	(4)	116	15.5
5		7,000 LUMEN (OPEN) (5)	0	0	8.81	0	0.0	0	0.0	0	0	0.0
6		7,000 LUMEN	66,721	4,464,536	6.03	402,328	33.7	58,714	14.6	(11,273)	391,055	15.0
7		7,000 LUMEN (4)	24	1,606	9.78	235	0.0	34	14.5	(4)	231	14.7
8		7,000 LUMEN (5)	576	38,544	9.82	5,656	0.5	836	14.8	(97)	5,559	15.0
9		7,000 LUMEN (6)	24	1,606	10.58	254	0.0	37	14.6	(4)	250	14.8
10		7,000 LUMEN (8A)	132	8,833	12.08	1,595	0.1	236	14.8	(22)	1,573	15.0
11		10,000 LUMEN	2,280	217,360	6.93	15,800	1.3	2,303	14.6	(548)	15,252	15.1
12		10,000 LUMEN (5)	12	1,144	10.72	129	0.0	19	14.7	(3)	126	15.1
13		21,000 LUMEN	9,588	1,429,411	9.25	88,689	7.4	12,752	14.4	(3,609)	85,080	15.0
14		21,000 LUMEN (5)	156	23,257	13.04	2,034	0.2	297	14.6	(59)	1,975	15.0
15		METAL HALIDE:										
16		14,000 LUMEN	492	32,923	6.03	2,967	0.2	433	14.6	(83)	2,884	15.0
17		20,500 LUMEN	804	76,648	6.93	5,572	0.5	812	14.6	(194)	5,378	15.1
18		36,000 LUMEN	300	44,725	9.25	2,775	0.2	399	14.4	(113)	2,662	15.0
19		SODIUM VAPOR:										
20		9,500 LUMEN (OPEN)	156	6,331	5.02	783	0.1	117	14.9	(16)	767	15.3
21		9,500 LUMEN	19,068	773,843	6.72	128,137	10.7	19,068	14.9	(1,953)	126,184	15.1
22		9,500 LUMEN (4)	96	3,896	10.47	1,005	0.1	150	14.9	(10)	995	15.1
23		9,500 LUMEN (5)	708	28,733	10.51	7,441	0.6	1,112	14.9	(73)	7,368	15.1
24		9,500 LUMEN (6)	108	4,383	11.27	1,217	0.1	182	15.0	(11)	1,206	15.1
25		16,000 LUMEN	516	30,573	7.29	3,762	0.3	552	14.7	(77)	3,685	15.0
26		16,000 LUMEN (5)	24	1,422	11.08	266	0.0	39	14.7	(4)	262	14.9
27		22,000 LUMEN	5,616	443,664	9.48	53,240	4.5	7,806	14.7	(1,120)	52,120	15.0
28		22,000 LUMEN (4)	72	5,688	13.23	953	0.1	140	14.7	(14)	939	14.9
29		22,000 LUMEN (5)	276	21,804	13.27	3,663	0.3	540	14.7	(55)	3,608	15.0
30		22,000 LUMEN (6)	216	17,064	14.03	3,030	0.3	448	14.8	(43)	2,987	15.0
31		22,000 LUMEN (8)	156	12,324	15.48	2,415	0.2	356	14.7	(31)	2,384	14.9
32		27,500 LUMEN	216	17,064	9.48	2,048	0.2	300	14.6	(43)	2,005	15.0
33		50,000 LUMEN	10,608	1,731,756	12.64	134,085	11.2	19,519	14.6	(4,373)	129,712	15.0
34		50,000 LUMEN (4)	96	15,672	16.39	1,573	0.2	231	14.7	(40)	1,533	15.1
35		50,000 LUMEN (5)	396	64,647	16.43	6,506	0.5	955	14.7	(163)	6,343	15.1
36		50,000 LUMEN (6)	528	86,196	17.19	9,076	0.8	1,331	14.7	(218)	8,858	15.0
37		DECORATIVE SODIUM VAPOR:										
38		9,500 LUMEN (15)	48	1,948	8.37	402	0.1	60	14.9	(5)	397	15.1
39		22,000 LUMEN (15)	84	7,161	10.30	865	0.1	127	14.7	(18)	847	15.0
40		50,000 LUMEN (15)	300	48,975	13.55	4,065	0.3	591	14.5	(124)	3,941	15.0
41		50,000 LUMEN (15)(5)	228	37,221	17.34	3,954	0.3	579	14.6	(94)	3,860	15.0
42		50,000 LUMEN (15)(6)	60	9,795	18.10	1,086	0.2	159	14.6	(25)	1,061	15.0
43		50,000 LUMEN (14)	264	43,098	20.28	5,354	0.4	787	14.7	(109)	5,245	15.0
44		50,000 LUMEN (14)(6)	84	13,713	24.83	2,086	0.2	307	14.7	(35)	2,051	15.0
45		TOTAL OVERHEAD	121,057	9,769,270		905,166	75.9	132,346	14.6	(24,667)	880,499	15.0

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) WITH 17' WOOD LAMINATED POLE.

(4) WITH 30' WOOD POLE.

(5) WITH 35' WOOD POLE.

(6) WITH 40' WOOD POLE.

(7) WITH 12' ALUM POLE.

(8) WITH 28' ALUM POLE.

(8A) WITH 28' ALUM POLE HEAVY GAUGE.

(9) WITH 30' ALUM POLE.

(10) WITH 17' FIBERGLASS POLE.

(11) WITH 12' FIBERGLASS POLE.

(12) WITH 30' FIBERGLASS POLE.

(13) WITH 35' FIBERGLASS POLE.

(14) FIXTURE TYPE - SETBACK .

(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KEN
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 15 OF 21
WITNESS RESPONSIBLE:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODI	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	CURRENT RATES(1A) (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (I)	TOTAL REVENUE % INCREASE (M / K) (O)
(A)	(B)	(C)	(D)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
46	SL	STREET LIGHTING – CO OWNED & MAINTAINED (CONT'D.)										
47		UNDERGROUND DISTRIBUTION:										
48		MERCURY VAPOR:										
49		7,000 LUMEN	60	4,370	6.14	368	0.0	54	14.7	(11)	357	15.1
50		7,000 LUMEN (4)	336	24,472	9.89	3,323	0.3	487	14.7	(62)	3,261	14.9
51		7,000 LUMEN (5)	12	874	9.93	119	0.0	18	15.1	(2)	117	15.4
52		7,000 LUMEN (8)	360	26,220	12.14	4,370	0.4	641	14.7	(66)	4,304	14.9
53		10,000 LUMEN	84	8,505	7.04	591	0.0	87	14.7	(21)	570	15.3
54		10,000 LUMEN (4)	84	8,505	10.79	906	0.1	134	14.8	(21)	885	15.1
55		10,000 LUMEN (8)	156	15,795	13.04	2,034	0.2	300	14.7	(40)	1,994	15.0
56		21,000 LUMEN	96	15,312	9.45	907	0.1	131	14.4	(39)	868	15.1
57		21,000 LUMEN (8)	156	24,882	15.45	2,410	0.2	351	14.6	(63)	2,347	15.0
58		METAL HALIDE:										
59		14,000 LUMEN	228	16,606	6.14	1,400	0.1	203	14.5	(42)	1,358	14.9
60		20,500 LUMEN	756	76,545	7.04	5,322	0.4	779	14.6	(193)	5,129	15.2
61		36,000 LUMEN	444	70,818	9.45	4,186	0.4	604	14.4	(179)	4,017	15.0
62		SODIUM VAPOR:										
63		9,500 LUMEN (8)	648	26,298	12.72	8,243	0.7	1,224	14.8	(86)	8,177	15.0
64		9,500 LUMEN (OPEN)	60	2,435	5.02	301	0.0	45	15.0	(6)	295	15.3
65		16,000 LUMEN	60	3,555	7.29	437	0.0	65	14.9	(9)	428	15.2
66		22,000 LUMEN	432	34,128	9.48	4,095	0.3	601	14.7	(86)	4,009	15.0
67		22,000 LUMEN (5)	264	20,856	13.27	3,503	0.3	518	14.8	(53)	3,450	15.0
68		22,000 LUMEN (8)	732	57,828	15.48	11,331	0.9	1,669	14.7	(146)	11,185	14.9
69		22,000 LUMEN (8A)	252	19,908	19.32	4,869	0.4	723	14.8	(50)	4,819	15.0
70		50,000 LUMEN	540	88,155	12.64	6,826	0.6	993	14.5	(223)	6,603	15.0
71		50,000 LUMEN (8)	216	35,262	18.64	4,026	0.3	590	14.7	(89)	3,937	15.0
72		50,000 LUMEN (9)	300	48,936	24.52	7,386	0.6	1,086	14.7	(124)	7,262	15.0
73		DECORATIVE MERCURY VAPOR:										
74		7,000 LUMEN TOWN & COUNTRY	0	0	6.34	0	0.0	0	0.0	0	0	0.0
75		7,000 LUMEN TOWN & COUNTRY (3)	216	15,354	10.14	2,190	0.2	324	14.8	(39)	2,151	15.1
76		7,000 LUMEN TOWN & COUNTRY (10)	5,868	417,117	10.14	59,502	5.0	8,802	14.8	(1,053)	58,449	15.1
77		7,000 LUMEN HOLOPHANE	24	1,748	8.00	192	0.0	26	14.6	(4)	188	14.9
78		7,000 LUMEN HOLOPHANE (10)	1,908	138,966	11.80	22,514	1.9	3,320	14.7	(351)	22,163	15.0
79		7,000 LUMEN GAS REPLICA	60	4,370	18.43	1,108	0.1	164	14.8	(11)	1,095	15.0
80		7,000 LUMEN GRANVILLE (7)	96	6,824	16.75	1,608	0.1	239	14.9	(17)	1,581	15.0
81		7,000 LUMEN ASPEN	24	1,748	11.64	279	0.0	41	14.7	(4)	275	14.9
82		DECORATIVE METAL HALIDE:										
83		14,000 LUMEN TRADITIONAIRE (10)	492	34,973	10.14	4,989	0.4	738	14.8	(88)	4,901	15.1
84		14,000 LUMEN GAS REPLICA (7)	524	38,165	28.84	15,112	1.3	2,248	14.9	(96)	15,016	15.0
85		14,000 LUMEN GRANVILLE	416	30,289	11.64	4,842	0.4	712	14.7	(77)	4,765	14.9
86		DECORATIVE SODIUM VAPOR:										
87		9,500 LUMEN TOWN & COUNTRY	260	10,552	9.36	2,434	0.2	364	15.0	(27)	2,407	15.1
88		9,500 LUMEN TOWN & COUNTRY (10)	2,076	84,251	13.16	27,320	2.3	4,090	15.0	(213)	27,107	15.1
89		9,500 LUMEN HOLOPHANE	824	27,684	10.15	6,334	0.5	938	14.8	(70)	6,264	14.9
90		9,500 LUMEN HOLOPHANE (10)	360	15,960	13.95	5,022	0.4	745	14.8	(40)	4,982	15.0
91		9,500 LUMEN GAS REPLICA	44	1,951	18.15	843	0.1	125	14.8	(5)	838	14.9
92		9,500 LUMEN GRANVILLE (7)	204	9,044	22.17	4,523	0.4	673	14.9	(23)	4,500	15.0
93		9,500 LUMEN ASPEN (7)	720	31,920	22.17	15,962	1.3	2,376	14.9	(81)	15,881	15.0
94		9,500 LUMEN TRADITIONAIRE (10)	324	13,149	13.16	4,264	0.4	638	15.0	(33)	4,231	15.1
95		22,000 LUMEN (15)(12)	252	21,483	17.59	4,433	0.4	655	14.8	(54)	4,379	15.0
96		50,000 LUMEN (15)(12)	204	33,303	20.84	4,251	0.4	625	14.7	(84)	4,167	15.0
97		50,000 LUMEN (15)(13)	324	52,893	21.04	6,817	0.6	998	14.6	(134)	6,683	14.9
98		50,000 LUMEN (14)	176	28,732	20.28	3,569	0.3	525	14.7	(73)	3,496	15.0
99		TOTAL UNDERGROUND	21,472	1,650,730		275,069	23.0	40,669	14.8	(4,168)	270,901	15.0
100		ADD'L FACILITIES CHARGE:										
101		OVERHEAD		1,599	0.45	720	0.1	111	15.4		720	15.4
102		UNDERGROUND		19,074	0.65	12,398	1.0	1,908	15.4		12,398	15.4
103		TOTAL ADD'L FACILITIES CHG		20,673		13,118	1.1	2,019	15.4	0	13,118	15.4
104		TOTAL RATE SL	142,529	11,420,000		1,193,353	100.0	175,034	14.7	(28,835)	1,164,518	15.0

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.219091 PER KWH.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) WITH 17' WOOD LAMINATED POLE.
(4) WITH 30' WOOD POLE.
(5) WITH 35' WOOD POLE.

(6) WITH 40' WOOD POLE.
(7) WITH 12' ALUM POLE.
(8) WITH 28' ALUM POLE.
(8A) WITH 28' ALUM POLE HEAVY GAUGE.
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(12) WITH 30' FIBERGLASS POLE.
(13) WITH 35' FIBERGLASS POLE.
(14) FIXTURE TYPE - SETBACK.
(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 16 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
					(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	TL	TRAFFIC LIGHTING SERVICE										
2												
3	(A)	WHERE COMPANY										
4		SUPPLIES ENERGY ONLY (3):										
5	ALL CONSUMPTION		23,628	982,430	0.030900	30,357	10.9	4,221	13.9	(2,481)	27,876	15.1
6	(B)	WHERE COMPANY										
7		SUPPLIES ENERGY FROM A										
8		SEPARATELY METERED SOURCE										
9		AND PROVIDES LIMITED										
10		MAINTENANCE:										
11	ALL CONSUMPTION			0	0.018000	0	0.0	0	0.0	0	0	0.0
12	(B)	WHERE COMPANY										
13		SUPPLIES ENERGY AND										
14		PROVIDES LIMITED										
15		MAINTENANCE (3):										
16	ALL CONSUMPTION		64,992	5,050,570	0.048900	246,973	89.1	35,313	14.3	(12,752)	234,221	15.1
17	TOTAL RATE TL		88,620	6,033,000		277,330	100.0	39,534	14.3	(15,233)	262,097	15.1

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
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SCHEDULE M-2.2
PAGE 17 OF 21
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JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST REV	% INCR IN REV LESS FUEL COST REV	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KWH)	(\$/KWH/ \$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1 UOLS UNMETERED OUTDOOR LIGHTING SERV												
2	BASE RATE		110	13,000	0.030400	395	100.0	55	13.9	(33)	362	15.2
3	TOTAL RATE UOLS		110	13,000		395	100.0	55	13.9	(33)	362	15.2
4 OL OUTDOOR LIGHTING SERV												
5 (A) PRIVATE OUTDOOR LIGHTING UNITS:												
6 MERCURY VAPOR:												
7	7,000 LUMEN (OPEN)		9,091	646,218	7.34	66,728	12.5	9,818	14.7	(1,631)	65,097	15.1
8	7,000 LUMEN		1,497	109,029	9.43	14,117	2.6	2,066	14.6	(275)	13,842	14.9
9	10,000 LUMEN		1,788	181,035	10.97	19,614	3.7	2,879	14.7	(457)	19,157	15.0
10	21,000 LUMEN		2,712	432,564	14.04	38,076	7.1	5,560	14.6	(1,092)	36,984	15.0
11	SODIUM VAPOR (OH)											
12	9,500 LUMEN (OPEN)		9,852	399,827	6.48	63,841	11.9	9,556	15.0	(1,010)	62,831	15.2
13	9,500 LUMEN		2,292	93,017	8.47	19,413	3.6	2,888	14.9	(235)	19,178	15.1
14	16,000 LUMEN		240	14,220	9.53	2,287	0.4	339	14.8	(36)	2,251	15.1
15	22,000 LUMEN		1,824	144,096	10.52	19,188	3.6	2,828	14.7	(384)	18,824	15.0
16	27,500 LUMEN		48	3,792	10.52	505	0.1	74	14.7	(10)	495	14.9
17	50,000 LUMEN		2,772	452,529	12.15	33,680	6.3	4,879	14.5	(1,143)	32,537	15.0
18	METAL HALIDE											
19	14,000 LUMEN		132	13,614	9.43	1,245	0.2	182	14.6	(34)	1,211	15.0
20	20,500 LUMEN		168	21,010	10.97	1,843	0.3	270	14.7	(53)	1,790	15.1
21	36,000 LUMEN		360	61,420	14.04	5,054	0.9	738	14.6	(155)	4,899	15.1
22	DECORATIVE MV 7,000 LUMEN:											
23	TOWN & COUNTRY		744	52,886	11.32	8,422	1.8	1,243	14.8	(134)	8,288	15.0
24	HOLOPHANE		216	15,732	14.61	3,156	0.6	466	14.8	(40)	3,116	15.0
25	GAS REPLICA		0	0	35.47	0	0.0	0	0.0	0	0	0.0
26	ASPEN		96	6,992	21.89	2,101	0.5	312	14.9	(18)	2,083	15.0
27	DECORATIVE SV 9,500 LUMEN:											
28	TOWN & COUNTRY		1,380	56,005	17.95	24,771	4.6	3,698	14.9	(141)	24,630	15.0
29	HOLOPHANE		12	532	19.45	233	0.1	35	15.0	(1)	232	15.1
30	RECTILINEAR		0	0	15.97	0	0.0	0	0.0	0	0	0.0
31	GAS REPLICA		0	0	37.45	0	0.0	0	0.0	0	0	0.0
32	ASPEN		0	0	22.67	0	0.0	0	0.0	0	0	0.0
33	22,000 LUMEN (RECTILINEAR)		0	0	18.97	0	0.0	0	0.0	0	0	0.0
34	50,000 LUMEN (RECTILINEAR)		0	0	23.98	0	0.0	0	0.0	0	0	0.0
35	50,000 LUMEN (SETBACK)		72	11,754	37.44	2,696	0.6	399	14.8	(30)	2,666	15.0
36	TOTAL POL UNITS		35,296	2,716,272		326,970	61.2	48,230	14.8	(6,859)	320,111	15.1
37	(B) FLOODLIGHTING UNITS:											
38 METAL HALIDE:												
39	20,500 LUMEN		144	14,580	10.97	1,580	0.2	232	14.7	(36)	1,544	15.0
40	36,000 LUMEN		288	45,936	14.05	4,046	0.8	591	14.6	(116)	3,930	15.0
41 MERCURY VAPOR:												
42	21,000 LUMEN		1,200	191,400	14.05	16,860	3.2	2,460	14.6	(483)	16,377	15.0
43 SODIUM VAPOR:												
44	22,000 LUMEN		2,316	197,439	10.44	24,179	4.5	3,544	14.7	(499)	23,680	15.0
45	30,000 LUMEN		240	20,460	10.44	2,506	0.4	367	14.6	(52)	2,454	15.0
46	50,000 LUMEN		12,348	2,054,913	12.84	158,548	29.7	23,091	14.6	(5,189)	153,359	15.1
47	TOTAL FL UNITS		16,536	2,524,728		207,719	38.8	30,285	14.6	(6,375)	201,344	15.0
48	TOTAL RATE OL		51,832	5,241,000		534,689	100.0	78,515	14.7	(13,234)	521,455	15.1

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
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SCHEDULE M-2.2
PAGE 18 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K)	(O)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	NSU NON STANDARD STREET LIGHT UNITS											
2	(A) COMPANY OWNED											
3	(1) BOULEVARD INCANDESCENT(UG):											
4	2,500 LUMEN SERIES		240	12,320	7.80	1,872	3.4	276	0.0	(31)	1,841	0.0
5	2,500 LUMEN MULTIPLE		288	18,864	6.00	1,728	3.1	253	14.6	(48)	1,680	15.1
6	(2) HOLOPHANE DECORATIVE:											
7	10,000 LUMEN MV W											
8	17' FIBERGLASS POLE		372	37,665	14.17	5,271	9.6	778	14.8	(95)	5,176	15.0
9	(3) STREET LGT UNITS (OH)											
10	2,500 LUMEN INCANDESCENT		1,199	78,508	5.95	7,134	13.0	1,043	14.6	(198)	6,936	15.0
11	2,500 LUMEN MERCURY VAPOR		6,112	230,557	5.67	34,655	63.1	5,134	14.8	(582)	34,073	15.1
12	21,000 LUMEN MERCURY VAPOR		408	65,076	8.84	3,607	6.6	518	14.4	(164)	3,443	15.0
13	TOTAL COMPANY OWNED		8,619	442,990		54,267	98.8	8,002	14.7	(1,118)	53,149	15.1
14	(B) CUSTOMER OWNED WITH LTD MAINT											
15	(1) BOULEVARD INCANDESCENT(UG):											
16	2,500 LUMEN SERIES		60	3,080	4.56	274	0.5	40	0.0	(8)	266	0.0
17	2,500 LUMEN MULTIPLE		60	3,930	5.80	348	0.7	51	14.7	(10)	338	15.1
18	TOTAL CUSTOMER OWNED		120	7,010		622	1.2	91	14.6	(18)	604	15.1
19	TOTAL RATE NSU		8,739	450,000		54,889	100.0	8,093	14.7	(1,136)	53,753	15.1

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 19 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		NSP NON STD PRIVATE OUTDOOR LIGHTING										
2		POL (A) PRIVATE OUTDOOR LIGHT UNITS:										
3		2,500 LUMEN MERCURY (OP	3,060	121,890	6.60	20,196	44.4	2,968	14.7	(308)	19,888	14.9
4		2,500 LUMEN MERCURY (EN	252	10,038	9.05	2,281	5.0	337	14.8	(25)	2,256	14.9
5		TOTAL RATE POL	3,312	131,928		22,477	49.4	3,305	14.7	(333)	22,144	14.9
6		URD (B) OUTDOOR LIGHTING UNITS										
7		- SERVED UG RES DIST AREAS:										
8		MERCURY VAPOR										
9		7,000 LUMEN, WITH										
10		17' FIBERGLASS POLE	204	14,538	12.31	2,511	5.5	372	14.8	(37)	2,474	15.0
11		7,000 LUMEN, WITH										
12		17' WOOD LAM POLE	216	15,354	12.31	2,659	5.8	393	14.8	(39)	2,620	15.0
13		7,000 LUMEN, WITH										
14		30' WOOD POLE	179	12,724	11.37	2,035	4.6	301	14.8	(32)	2,003	15.0
15		SODIUM VAPOR										
16		9,500 LUMEN TC 100 R	781	31,696	9.50	7,420	16.3	1,109	14.9	(80)	7,340	15.1
17		TOTAL RATE URD	1,380	74,312		14,625	32.2	2,175	14.9	(188)	14,437	15.1
18		FL FLOOD LIGHT										
19		MERCURY VAPOR										
20		52,000 LUMEN, WITH										
21		35' WOOD POLE	12	4,584	23.76	285	0.6	41	14.4	(12)	273	15.0
22		52,000 LUMEN, WITH										
23		50' WOOD POLE	0	0	26.84	0	0.0	0	0.0	0	0	0.0
24		SODIUM VAPOR										
25		50,000 LUMEN	485	79,176	16.65	8,075	17.8	1,184	14.7	(199)	7,876	15.0
26		TOTAL RATE FL	497	83,760		8,360	18.4	1,225	14.7	(211)	8,149	
27		TOTAL RATE NSP	5,189	290,000		45,462	100.0	6,705	14.7	(732)	44,730	15.0

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
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SCHEDULE M-2.2
PAGE 20 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS (F - K)	% INCR IN REV LESS (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (O)
(A)	(B)	(C)	(D)	(KWH)	(\$/UNIT) (\$/kwh)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	SC	STREET LIGHTING -										
2		CUST OWNED/LTD MAINT										
3		STANDARD UNIT-COBRAHEAD										
4		MERCURY VAPOR -										
5		7,000 LUMEN	0	0	3.53	0	0.0	0	0.0	0	0	0.0
6		10,000 LUMEN	0	0	4.48	0	0.0	0	0.0	0	0	0.0
7		21,000 LUMEN	0	0	6.20	0	0.0	0	0.0	0	0	0.0
8		METAL HALIDE -										
9		14,000 LUMEN	0	0	3.53	0	0.0	0	0.0	0	0	0.0
10		20,500 LUMEN	0	0	4.48	0	0.0	0	0.0	0	0	0.0
11		38,000 LUMEN	0	0	6.20	0	0.0	0	0.0	0	0	0.0
12		SODIUM VAPOR--										
13		9,500 LUMEN	24	974	4.23	102	2.9	15	14.7	(2)	100	15.0
14		16,000 LUMEN	0	0	4.79	0	0.0	0	0.0	0	0	0.0
15		22,000 LUMEN	0	0	5.23	0	0.0	0	0.0	0	0	0.0
16		27,500 LUMEN	0	0	5.23	0	0.0	0	0.0	0	0	0.0
17		50,000 LUMEN	0	0	7.01	0	0.0	0	0.0	0	0	0.0
18		DECORATIVE UNITS:										
19		7,000 LUMEN MERCURY VAPOR--										
20		HOLOPHANE	0	0	4.51	0	0.0	0	0.0	0	0	0.0
21		TOWN & COUNTRY	0	0	4.47	0	0.0	0	0.0	0	0	0.0
22		GAS REPLICA	0	0	4.51	0	0.0	0	0.0	0	0	0.0
23		ASPEN	0	0	4.51	0	0.0	0	0.0	0	0	0.0
24		14,000 LUMEN METAL HALIDE--										
25		TRADITIONAIRE	0	0	4.47	0	0.0	0	0.0	0	0	0.0
26		GAS REPLICA	0	0	4.51	0	0.0	0	0.0	0	0	0.0
27		GRANVILLE ACORN	0	0	4.51	0	0.0	0	0.0	0	0	0.0
28		9,500 LUMEN SODIUM VAPOR--										
29		TOWN & COUNTRY	0	0	4.24	0	0.0	0	0.0	0	0	0.0
30		RECTILINEAR	0	0	4.24	0	0.0	0	0.0	0	0	0.0
31		ASPEN	0	0	4.43	0	0.0	0	0.0	0	0	0.0
32		HOLOPHANE	0	0	4.43	0	0.0	0	0.0	0	0	0.0
33		GAS REPLICA	0	0	4.43	0	0.0	0	0.0	0	0	0.0
34		TRADITIONAIRE	0	0	4.24	0	0.0	0	0.0	0	0	0.0
35		GRANVILLE ACORN	0	0	4.43	0	0.0	0	0.0	0	0	0.0
36		SODIUM VAPOR -										
37		22,000 LUMEN (RECTILINEA	0	0	5.55	0	0.0	0	0.0	0	0	0.0
38		50,000 LUMEN (RECTILINEA	0	0	7.26	0	0.0	0	0.0	0	0	0.0
39		CUST OWNED/CUST MAINT										
40		ENERGY ONLY	2,200	113,026	0.030400	3,436	97.1	477	0.0	(286)	3,150	15.1
41		TOTAL RATE SC	2,224	114,000		3,538	100.0	492	13.9	(286)	3,250	15.1

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
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(ELECTRIC SERVICE)

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SCHEDULE M-2.2
PAGE 21 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALLES (D)	MOST CURRENT RATES(3) (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	SE	STREET LIGHTING -										
2		OVERHEAD EQUIVALENT RATE										
3		MERCURY VAPOR 7,000 LUMEN:										
4		TOWN & COUNTRY	6,449	458,417	6.11	39,403	26.7	5,740	14.6	(1,157)	38,246	15.0
5		HOLOPHANE	2,102	153,096	6.14	12,906	8.7	1,871	14.5	(387)	12,519	14.9
6		GAS REPLICA	696	50,692	6.14	4,273	2.9	620	14.5	(128)	4,145	15.0
7		ASPEN	132	9,614	6.14	810	0.5	118	14.6	(24)	786	15.0
8		SODIUM VAPOR 9,500 LUMEN:										
9		TOWN & COUNTRY	2,292	93,017	6.72	15,402	10.4	2,292	14.9	(235)	15,167	15.1
10		TRADITIONAIRE	0	0	6.72	0	0.0	0	0.0	0	0	0.0
11		HOLOPHANE	2,364	104,804	6.80	16,075	10.9	2,364	14.7	(265)	15,810	15.0
12		RECTILINEAR	972	39,447	6.72	6,532	4.4	972	14.9	(100)	6,432	15.1
13		GAS REPLICA	1,212	53,732	6.80	8,242	5.6	1,212	14.7	(136)	8,106	15.0
14		GRANVILLE ACORN	84	3,724	6.80	571	0.5	84	14.7	(9)	562	14.9
15		ASPEN	2,616	115,976	6.80	17,789	12.1	2,616	14.7	(293)	17,496	15.0
16		SODIUM VAPOR:										
17		22,000 LUMEN (RECTILINEAR)	504	42,966	9.60	4,838	3.3	706	14.6	(108)	4,730	14.9
18		50,000 LUMEN (RECTILINEAR)	24	3,918	12.64	303	0.3	45	14.9	(10)	293	15.4
19		50,000 LUMEN (SETBACK)	0	0	12.64	0	0.0	0	0.0	0	0	0.0
20		METAL HALIDE:										
21		14,000 TOWN & COUNTRY	2,248	159,795	6.11	13,735	9.3	2,001	14.6	(404)	13,331	15.0
22		14,000 GRANVILLE ACORN	466	33,940	6.14	2,861	1.9	415	14.5	(86)	2,775	15.0
23		14,000 GAS REPLICA	612	43,862	6.14	3,758	2.5	544	14.5	(110)	3,648	14.9
24		TOTAL RATE SE	22,773	1,367,000		147,498	100.0	21,600	14.6	(3,452)	144,046	15.0

- (1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
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SCHEDULE M-2.3
PAGE 1 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(¢/KWH)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL SERV	1,457,429	1,512,771,000	8.61	130,273,914	100.00	0	130,273,914
2		TOTAL RESIDENTIAL	1,457,429	1,512,771,000	8.61	130,273,914	42.42	0	130,273,914
3	DS	DISTRIBUTION SERV	147,481	1,033,533,000	7.96	82,279,857	51.50	0	82,279,857
4	DT-PRI	TIME OF DAY	427	432,484,392	5.82	25,161,199	15.75	0	25,161,199
5	DT-SEC	TIME OF DAY	2,258	725,010,608	6.70	48,554,797	30.39	0	48,554,797
6	EH	ELEC SPACE HEATING	863	14,029,000	6.80	954,202	0.60	0	954,202
7	SP	SPORTS SERV	320	402,000	9.97	40,088	0.03	0	40,088
8	GSFL	SMALL FIXED LOADS	10,358	6,218,000	8.17	508,085	0.32	0	508,085
9	DP	PRIMARY VOLTAGE	151	34,038,000	6.65	2,263,509	1.41	0	2,263,509
10		TOTAL DISTRIBUTION	161,858	2,245,715,000	7.11	159,761,737	52.02	0	159,761,737
11	TT	TIME OF DAY	162	180,183,000	5.55	10,000,112	100.00	0	10,000,112
12		TOTAL TRANSMISSION	162	180,183,000	5.55	10,000,112	3.26	0	10,000,112
13	DT-RTP PRI	REAL TIME PRICING	12	19,899,851	5.69	1,131,632	49.00	(329,661)	801,971
14	DT-RTP SEC	REAL TIME PRICING	24	8,057,149	6.06	488,247	21.14	(133,475)	354,772
15	DS-RTP	REAL TIME PRICING	36	1,005,000	8.88	89,217	3.86	(16,649)	72,568
16	TT-RTP	REAL TIME PRICING	24	11,500,000	5.22	600,346	26.00	(190,509)	409,837
17		TOTAL REAL TIME PRICING	96	40,462,000	5.71	2,309,442	0.75	(670,294)	1,639,148
18	SL	STREET LIGHTING	142,529	11,420,000	11.98	1,368,387	52.89	0	1,368,387
19	TL	TRAFFIC LIGHTING	88,620	6,033,000	5.25	316,864	12.25	0	316,864
20	UOLS	UNMTRD OUTDR LIGHT	110	13,000	3.46	450	0.02	0	450
21	OL	OUTDOOR LIGHT SERV	51,832	5,241,000	11.70	613,204	23.70	0	613,204
22	NSU	NON STD STREET LIGHT	8,739	450,000	14.00	62,982	2.43	0	62,982
23	NSP	NON STD POL'S	5,189	290,000	17.99	52,167	2.02	0	52,167
24	SC	S L - CUST OWNED	2,224	114,000	3.54	4,030	0.16	0	4,030
25	SE	S L - OVR HD EQUIV	22,773	1,367,000	12.37	169,098	6.53	0	169,098
26		TOTAL LIGHTING	322,016	24,928,000	10.38	2,587,182	0.84	0	2,587,182
27	ID01	INTERDEPARTMENTAL	12	2,114,000	8.33	176,156	8.10	0	176,156
28	IS	INTERRUPTIBLE DEMAND CR	0	0	-	(58,320)	(2.68)	0	(58,320)
29		BAD CHECK CHARGES	0	0	-	11,012	0.51	0	11,012
30		RECONNECTION CHGS	0	0	-	57,413	2.64	0	57,413
31		RENTS	0	0	-	1,505,049	69.23	0	1,505,049
32	WS	SPECIAL CONTRACTS	126	322,000	6.10	19,650	0.90	0	19,650
33		OTHER MISC	0	0	-	463,106	21.30	0	463,106
34		TOTAL MISC	138	2,436,000	89.25	2,174,066	0.71	0	2,174,066
35		TOTAL	1,941,699	4,006,495,000	7.67	307,106,453	100.00	(670,294)	306,436,159

(1) DETAIL CONTAINED ON SCHEDULES M-2.3 PAGES 2 THROUGH 21.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
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SCHEDULE M-2.3
PAGE 2 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2		SUMMER:							
3		CUSTOMER CHARGE:							
4		BILLS	485,805		\$5.00	2,429,025	1.9		2,429,025
5		ENERGY CHARGE (3):							
6		FIRST 1000 KWH		382,736,649	\$0.081299	31,116,107	23.9	0	31,116,107
7		ADDITIONAL KWH		197,395,902	\$0.081299	16,048,089	12.3	0	16,048,089
8		TOTAL		580,132,551		47,164,196	36.2	0	47,164,196
9		TOTAL SUMMER	485,805	580,132,551		49,593,221	38.1	0	49,593,221
10		WINTER:							
11		CUSTOMER CHARGE:							
12		BILLS	971,624		\$5.00	4,858,120	3.7		4,858,120
13		ENERGY CHARGE (3):							
14		FIRST 1000 KWH		675,864,431	\$0.081299	54,947,102	42.2	0	54,947,102
15		ADDITIONAL KWH		256,774,018	\$0.081299	20,875,471	16.0	0	20,875,471
16		TOTAL		932,638,449		75,822,573	58.2	0	75,822,573
17		TOTAL WINTER	971,624	932,638,449		80,680,693	61.9	0	80,680,693
18		TOTAL RATE RS	1,457,429	1,512,771,000		130,273,914	100.0	0	130,273,914

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 3 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	PROPOSED RATES	PROPOSED REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	FUEL COST REVENUE (2)	PROPOSED TOTAL REVENUE (F + H)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
			(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(\$)	
1	DS	SERVICE AT SECONDARY							
2		DISTRIBUTION VOLTAGE							
3		CUSTOMER CHARGE:							
4		LOAD MANAGEMENT RIDER	1,420		\$100.00	142,000	0.2		142,000
5		SINGLE PHASE	84,787		\$7.50	635,903	0.8		635,903
6		THREE PHASE	61,274		\$15.00	919,110	1.0		919,110
7		TOTAL CUSTOMER CHARGE	<u>147,481</u>			<u>1,697,013</u>	<u>2.0</u>		<u>1,697,013</u>
8		DEMAND CHARGE:							
9		FIRST 15 KW		1,389,688	\$0.00	0	0.0		0
10		ADDITIONAL KW		<u>2,331,030</u>	\$8.00	<u>18,648,240</u>	<u>22.7</u>		<u>18,648,240</u>
11		TOTAL DEMAND		<u>3,720,718</u>		<u>18,648,240</u>	<u>22.7</u>		<u>18,648,240</u>
12		ENERGY CHARGE (3):							
13		FIRST 6000 KWH		361,839,903	\$0.080731	29,211,697	35.5	0	29,211,697
14		NEXT 300KWH/KW		568,546,503	\$0.049510	28,148,737	34.2	0	28,148,737
15		ADDITIONAL KWH		100,769,468	\$0.040922	4,123,688	5.0	0	4,123,688
16		NON-CHURCH "CAP" RATE		1,240,240	\$0.235249	291,765	0.4	0	291,765
17		CHURCH CAP RATE		1,136,886	\$0.139607	158,717	0.2	0	158,717
18		TOTAL ENERGY		<u>1,033,533,000</u>		<u>61,934,604</u>	<u>75.3</u>	<u>0</u>	<u>61,934,604</u>
19		TOTAL RATE DS		<u>147,481</u>	<u>1,033,533,000</u>	<u>82,279,857</u>	<u>100.0</u>	<u>0</u>	<u>82,279,857</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(\$)
1		DT-PRI TIME OF DAY PRIMARY							
2		SUMMER:							
3		CUSTOMER CHARGE:							
4		SINGLE PHASE	0		\$7.50	0	0.0		0
5		THREE PHASE			\$15.00	0	0.0		0
6		PRIMARY VOLTAGE	142		\$100.00	14,200	0.2		14,200
7		TOTAL CUSTOMER CHARGE	142			14,200	0.2		14,200
8		DEMAND CHARGE:							
9		ON PEAK KW		249,229	\$11.56	2,881,087	31.9		2,881,087
10		OFF PEAK KW		19,073	\$1.19	22,697	0.2		22,697
11		SUB-TOTAL		268,302		2,903,784	32.1		2,903,784
12		PRIMARY SERV. DIS.							
13		FIRST 1000 KW		102,660	(\$0.65)	(66,729)	(0.7)		(66,729)
14		ADDITIONAL KW		146,569	(\$0.50)	(73,285)	(0.8)		(73,285)
15		TOTAL DEMAND		249,229		2,763,770	30.6		2,763,770
16		ENERGY CHARGE (3):							
17		ALL KWH		149,172,087	\$0.041927	6,254,338	69.2	0	6,254,338
18		TOTAL SUMMER	142	149,172,087		9,032,308	100.0	0	9,032,308
19		WINTER:							
20		CUSTOMER CHARGE:							
21		SINGLE PHASE	0		\$7.50	0	0.0		0
22		THREE PHASE			\$15.00	0	0.0		0
23		PRIMARY VOLTAGE	285		\$100.00	28,500	0.2		28,500
24		TOTAL CUSTOMER CHARGE	285			28,500	0.2		28,500
25		DEMAND CHARGE:							
26		ON PEAK KW		435,861	\$10.15	4,423,989	27.4		4,423,989
27		OFF PEAK KW		38,147	\$1.19	45,395	0.3		45,395
28		SUB-TOTAL		474,008		4,469,384	27.7		4,469,384
29		PRIMARY SERV. DIS.							
30		FIRST 1000 KW		196,653	(\$0.65)	(127,824)	(0.8)		(127,824)
31		ADDITIONAL KW		239,208	(\$0.50)	(119,604)	(0.7)		(119,604)
32		TOTAL DEMAND		435,861		4,221,956	26.2		4,221,956
33		ENERGY CHARGE (3):							
34		ALL KWH		283,312,305	\$0.041927	11,878,435	73.6	0	11,878,435
35		TOTAL WINTER	285	283,312,305		16,128,891	100.0	0	16,128,891
36		TOTAL RATE DT PRIMARY	427	432,484,392		25,161,199	100.0	0	25,161,199

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(\$)
1	DT-SEC	TIME OF DAY SECONDARY							
2		SUMMER:							
3		CUSTOMER CHARGE:							
4		SINGLE PHASE	0		\$7.50	0	0.0		0
5		THREE PHASE	753		\$15.00	11,295	0.1		11,295
6		PRIMARY VOLTAGE	0		\$100.00	0	0.0		0
7		TOTAL CUSTOMER CHARGE	753			11,295	0.1		11,295
8		DEMAND CHARGE:							
9		ON PEAK KW		590,891	\$11.56	6,830,700	38.6		6,830,700
10		OFF PEAK KW		8,404	\$1.19	10,001	0.1		10,001
11		SUB-TOTAL		599,295		6,840,701	38.7		6,840,701
12		PRIMARY SERV. DIS.							
13		FIRST 1000 KW		0	(\$0.65)	0	0.0		0
14		ADDITIONAL KW		0	(\$0.50)	0	0.0		0
15		TOTAL DEMAND		0		6,840,701	38.7		6,840,701
16		ENERGY CHARGE (3):							
17		ALL KWH		258,606,055	\$0.041927	10,842,576	61.2	0	10,842,576
18		TOTAL SUMMER	753	258,606,055		17,694,572	100.0	0	17,694,572
19		WINTER:							
20		CUSTOMER CHARGE:							
21		SINGLE PHASE	0		\$7.50	0	0.0		0
22		THREE PHASE	1,505		\$15.00	22,575	0.1		22,575
23		PRIMARY VOLTAGE	0		\$100.00	0	0.0		0
24		TOTAL CUSTOMER CHARGE	1,505			22,575	0.1		22,575
25		DEMAND CHARGE:							
26		ON PEAK KW		1,108,940	\$10.15	11,255,741	36.4		11,255,741
27		OFF PEAK KW		22,660	\$1.19	26,965	0.1		26,965
28		SUB-TOTAL		1,131,600		11,282,706	36.5		11,282,706
29		PRIMARY SERV. DIS.							
30		FIRST 1000 KW		0	(\$0.65)	0	0.0		0
31		ADDITIONAL KW		0	(\$0.50)	0	0.0		0
32		TOTAL DEMAND		0		11,282,706	36.5		11,282,706
33		ENERGY CHARGE (3):							
34		ALL KWH		466,404,553	\$0.041927	19,554,944	63.4	0	19,554,944
35		TOTAL WINTER	1,505	466,404,553		30,860,225	100.0	0	30,860,225
36		TOTAL RATE DT SECONDARY	2,258	725,010,608		48,554,797	100.0	0	48,554,797

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S).:
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH) (\$/KW)	(\$)	(%)	(\$)	(\$)
1	EH	OPTIONAL RATE FOR							
2		ELEC. SPACE HEATING							
3	CUSTOMER CHARGE:								
4	SINGLE PHASE		240		\$7.50	1,800	0.2		1,800
5	THREE PHASE		623		\$15.00	9,345	1.0		9,345
6	PRIMARY VOLTAGE		0		\$100.00	0	0.0		0
7	TOTAL CUSTOMER CHARGE		<u>863</u>			<u>11,145</u>	<u>1.2</u>		<u>11,145</u>
8	DEMAND CHARGE:								
9	ALL KW			<u>57,454</u>	\$0.00	<u>0</u>	<u>0.0</u>		<u>0</u>
10	ENERGY CHARGE (3):								
11	ALL CONSUMPTION			<u>14,029,000</u>	\$0.067222	<u>943,057</u>	<u>98.8</u>	<u>0</u>	<u>943,057</u>
12	TOTAL RATE EH		<u>863</u>	<u>14,029,000</u>		<u>954,202</u>	<u>100.0</u>	<u>0</u>	<u>954,202</u>

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	SP	SPORTS SERVICE							
2	MINIMUM BILLS		0		(4)	0	0.0		0
3	CUSTOMER CHARGE		320		\$7.50	2,400	6.0		2,400
4	ENERGY CHARGE (3):								
5	ALL CONSUMPTION			402,000	\$0.093751	37,688	94.0	0	37,688
6	TOTAL RATE SP		320	402,000		40,088	100.0	0	40,088
7	GSFL	SMALL FIXED LOADS							
8	MINIMUM BILLS		377	0	\$2.69	1,014	0.2	0	1,014
9	BASE RATE (3):								
10	LOAD RANGE 540 TO 720 HRS		48	7,462	\$0.070656	527	0.1	0	527
11	LOAD RANGE LESS THAN 540 HR		9,933	6,210,538	\$0.081562	506,544	99.7	0	506,544
12	TOTAL RATE GSFL		10,358	6,218,000		508,085	100.0	0	508,085

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
- (2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.
- (3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.
- (4) 1.5% OF INSTALLED TRANSFORMER AND METERING COSTS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
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(ELECTRIC SERVICE)

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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH) (\$/KW)	(\$)	(%)	(\$)	(\$)
1	DP	SERVICE AT PRIMARY							
2		DISTRIBUTION VOLTAGE							
3		CUSTOMER CHARGE:							
4		LOAD MANAGEMENT RIDER	24		\$100.00	2,400	0.1		2,400
5		PRIMARY VOLTAGE	127		\$100.00	12,700	0.6		12,700
6		TOTAL CUSTOMER CHARGE	<u>151</u>			<u>15,100</u>	<u>0.7</u>		<u>15,100</u>
7		DEMAND CHARGE:							
8		ALL KW		76,672	\$7.50	575,040	25.4		575,040
9		TOTAL DEMAND		<u>76,672</u>		<u>575,040</u>	<u>25.4</u>		<u>575,040</u>
10		ENERGY CHARGE (3):							
11		FIRST 300KWH/KW		23,550,976	\$0.051707	1,217,750	53.8	0	1,217,750
12		ADDITIONAL KWH		10,487,024	\$0.043446	455,619	20.1	0	455,619
13		TOTAL ENERGY		<u>34,038,000</u>		<u>1,673,369</u>	<u>73.9</u>	<u>0</u>	<u>1,673,369</u>
14		TOTAL RATE DP	<u>151</u>	<u>34,038,000</u>		<u>2,263,509</u>	<u>100.0</u>	<u>0</u>	<u>2,263,509</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

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DATA: BASE PERIOD X FORECASTED PERIOD
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D) (KW/KWH)	PROPOSED RATES (E) (\$/KWH)/ (\$/KW)	PROPOSED REVENUE LESS FUEL COST REVENUE (F) (\$)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G) (%)	FUEL COST REVENUE (2) (H) (\$)	PROPOSED TOTAL REVENUE (F + H) (I) (\$)
1	TT	TIME OF DAY							
2		SUMMER:							
3		CUSTOMER CHARGE	54		\$500.00	27,000	0.9		27,000
4		DEMAND CHARGE:							
5		ON PEAK KW		134,016	\$7.29	976,977	32.8		976,977
6		OFF PEAK KW		9,537	\$1.11	10,586	0.4		10,586
7		TOTAL DEMAND		143,553		987,563	33.2		987,563
8		ENERGY CHARGE (3):							
9		ALL KWH		50,774,582	\$0.038697	1,964,824	65.9	0	1,964,824
10		TOTAL SUMMER	54	50,774,582		2,979,387	100.0	0	2,979,387
11		WINTER:							
12		CUSTOMER CHARGE	108		\$500.00	54,000	0.8		54,000
13		DEMAND CHARGE:							
14		ON PEAK KW		325,064	\$5.98	1,943,883	27.7		1,943,883
15		OFF PEAK KW		13,625	\$1.11	15,124	0.2		15,124
16		TOTAL DEMAND		338,689		1,959,007	27.9		1,959,007
17		ENERGY CHARGE (3):							
18		ALL KWH		129,408,418	\$0.038697	5,007,718	71.3	0	5,007,718
19		TOTAL WINTER	108	129,408,418		7,020,725	100.0	0	7,020,725
20		TOTAL RATE TT	162	180,183,000		10,000,112	100.0	0	10,000,112

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

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(ELECTRIC SERVICE)

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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DT RTP	TIME OF DAY SERVICE AT PRIMARY							
2		DISTRIBUTION VOLTAGE							
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		12		\$183.00	2,196	0.2		2,196
5	TOTAL CUSTOMER CHARGE		<u>12</u>			<u>2,196</u>	<u>0.2</u>		<u>2,196</u>
6	ENERGY CHARGE (3):								
7	ALL KWH			19,899,851	\$0.005559	110,623	9.8		110,623
8	ANCILLARY SERVICES			19,899,851	\$0.000740	14,726	1.3		14,726
9	COMMODITY CHARGES			19,899,851	\$0.050457	1,004,087	88.7	(329,661)	674,426
10	TOTAL ENERGY			<u>19,899,851</u>		<u>1,129,436</u>	<u>99.8</u>	<u>(329,661)</u>	<u>799,775</u>
11	TOTAL RATE DT RTP PRIMARY		<u>12</u>	<u>19,899,851</u>		<u>1,131,632</u>	<u>100.0</u>	<u>(329,661)</u>	<u>801,971</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

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CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: BASE PERIOD X FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 11 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DT RTP	TIME OF DAY SERVICE AT SECONDARY							
2		DISTRIBUTION VOLTAGE							
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		24		\$183.00	4,392	0.9		4,392
5	TOTAL CUSTOMER CHARGE		<u>24</u>			<u>4,392</u>	<u>0.9</u>		<u>4,392</u>
6	ENERGY CHARGE:								
7	ALL KWH			8,057,149	\$0.006074	48,939	10.0		48,939
8	ANCILLARY SERVICES			8,057,149	\$0.000760	6,123	1.3		6,123
9	COMMODITY CHARGES			8,057,149	\$0.053219	428,793	87.8	(133,475)	295,318
10	TOTAL ENERGY			<u>8,057,149</u>		<u>483,855</u>	<u>99.1</u>	<u>(133,475)</u>	<u>350,380</u>
11	TOTAL RATE DT RTP SECONDARY		<u>24</u>	<u>8,057,149</u>		<u>488,247</u>	<u>100.0</u>	<u>(133,475)</u>	<u>354,772</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S).:
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 12 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DS RTP	SERVICE AT SECONDARY DISTRIBUTION VOLTAGE							
2									
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		36		\$183.00	6,588	7.4		6,588
5	TOTAL CUSTOMER CHARGE		<u>36</u>			<u>6,588</u>	<u>7.4</u>		<u>6,588</u>
6	ENERGY CHARGE:								
7	ALL KWH			1,005,000	\$0.006074	6,104	6.8		6,104
8	ANCILLARY SERVICES			1,005,000	\$0.000760	764	0.9		764
9	COMMODITY CHARGES			1,005,000	\$0.075384	75,761	84.9	(16,649)	59,112
10	TOTAL ENERGY			<u>1,005,000</u>		<u>82,629</u>	<u>92.6</u>	<u>(16,649)</u>	<u>65,980</u>
11	TOTAL RATE DS RTP		<u>36</u>	<u>1,005,000</u>		<u>89,217</u>	<u>100.0</u>	<u>(16,649)</u>	<u>72,568</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 13 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	TT RTP	TIME OF DAY SERVICE AT							
2		TRANSMISSION VOLTAGE							
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		24		\$183.00	4,392	0.7		4,392
5	TOTAL CUSTOMER CHARGE		<u>24</u>			<u>4,392</u>	<u>0.7</u>		<u>4,392</u>
6	ENERGY CHARGE:								
7	ALL KWH			11,500,000	\$0.002015	23,173	3.9		23,173
8	ANCILLARY SERVICES			11,500,000	\$0.000721	8,292	1.4		8,292
9	COMMODITY CHARGES			11,500,000	\$0.049086	564,489	94.0	(190,509)	373,980
10	TOTAL ENERGY			<u>11,500,000</u>		<u>595,954</u>	<u>99.3</u>	<u>(190,509)</u>	<u>405,445</u>
11	TOTAL RATE TT RTP		<u>24</u>	<u>11,500,000</u>		<u>600,346</u>	<u>100.0</u>	<u>(190,509)</u>	<u>409,837</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 14 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(1A)	PROPOSED	% OF REV TO	FUEL COST REVENUE (2)	PROPOSED
						REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)		TOTAL REVENUE (F + H)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
			(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)	
1	SL	STREET LIGHTING -- CO OWNED & MAINTAINED							
2		OVERHEAD DISTRIBUTION:							
3		MERCURY VAPOR :							
4	7,000	LUMEN (OPEN)	24	1,706	5.75	138	0.0	138	
5	7,000	LUMEN (OPEN) (5)	0	0	10.11	0	0.0	0	
6	7,000	LUMEN	66,721	4,464,536	6.91	461,042	33.7	461,042	
7	7,000	LUMEN (4)	24	1,606	11.22	269	0.0	269	
8	7,000	LUMEN (5)	576	38,544	11.27	6,492	0.5	6,492	
9	7,000	LUMEN (6)	24	1,606	12.14	291	0.0	291	
10	7,000	LUMEN (8A)	132	8,833	13.87	1,831	0.1	1,831	
11	10,000	LUMEN	2,280	217,360	7.94	18,103	1.3	18,103	
12	10,000	LUMEN (5)	12	1,144	12.30	148	0.0	148	
13	21,000	LUMEN	9,588	1,429,411	10.58	101,441	7.4	101,441	
14	21,000	LUMEN (5)	156	23,257	14.94	2,331	0.2	2,331	
15		METAL HALIDE:							
16	14,000	LUMEN	492	32,923	6.91	3,400	0.2	3,400	
17	20,500	LUMEN	804	76,648	7.94	6,384	0.5	6,384	
18	36,000	LUMEN	300	44,725	10.58	3,174	0.2	3,174	
19		SODIUM VAPOR:							
20	9,500	LUMEN (OPEN)	156	6,331	5.77	900	0.1	900	
21	9,500	LUMEN	19,068	773,843	7.72	147,205	10.8	147,205	
22	9,500	LUMEN (4)	96	3,896	12.03	1,155	0.1	1,155	
23	9,500	LUMEN (5)	708	28,733	12.08	8,553	0.6	8,553	
24	9,500	LUMEN (6)	108	4,383	12.95	1,399	0.1	1,399	
25	16,000	LUMEN	516	30,573	8.36	4,314	0.3	4,314	
26	16,000	LUMEN (5)	24	1,422	12.72	305	0.0	305	
27	22,000	LUMEN	5,616	443,664	10.87	61,046	4.5	61,046	
28	22,000	LUMEN (4)	72	5,688	15.18	1,093	0.1	1,093	
29	22,000	LUMEN (5)	276	21,804	15.23	4,203	0.3	4,203	
30	22,000	LUMEN (6)	216	17,064	16.10	3,478	0.3	3,478	
31	22,000	LUMEN (8)	156	12,324	17.76	2,771	0.2	2,771	
32	27,500	LUMEN	216	17,064	10.87	2,348	0.2	2,348	
33	50,000	LUMEN	10,608	1,731,756	14.48	153,604	11.2	153,604	
34	50,000	LUMEN (4)	96	15,672	18.79	1,804	0.1	1,804	
35	50,000	LUMEN (5)	396	64,647	18.84	7,461	0.5	7,461	
36	50,000	LUMEN (6)	528	86,196	19.71	10,407	0.8	10,407	
37		DECORATIVE SODIUM VAPOR:							
38	9,500	LUMEN (15)	48	1,948	9.62	462	0.0	462	
39	22,000	LUMEN (15)	84	7,161	11.81	992	0.1	992	
40	50,000	LUMEN (15)	300	48,975	15.52	4,656	0.3	4,656	
41	50,000	LUMEN (15)(5)	228	37,221	19.88	4,533	0.3	4,533	
42	50,000	LUMEN (15)(6)	60	9,795	20.75	1,245	0.1	1,245	
43	50,000	LUMEN (14)	264	43,098	23.26	6,141	0.5	6,141	
44	50,000	LUMEN (14)(6)	84	13,713	28.49	2,393	0.2	2,393	
45		TOTAL OVERHEAD	121,057	9,769,270		1,037,512	75.8	1,037,512	

- (1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.
(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.
(3) WITH 17' WOOD LAMINATED POLE.
(4) WITH 30' WOOD POLE.
(5) WITH 35' WOOD POLE.

- (6) WITH 40' WOOD POLE.
(7) WITH 12' ALUM POLE.
(8) WITH 28' ALUM POLE.
(8A) WITH 28' ALUM POLE HEAVY GAUGE.
(9) WITH 30' ALUM POLE.
(10) WITH 17' FIBERGLASS POLE.

- (11) WITH 12' FIBERGLASS POLE.
(12) WITH 30' FIBERGLASS POLE.
(13) WITH 35' FIBERGLASS POLE.
(14) FIXTURE TYPE - SETBACK.
(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY SOUTHERN COMPANY
CASE NO. 000000172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 15 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (KWH)	PROPOSED RATES(1A) (\$/UNIT)	PROPOSED REVENUE LESS FUEL COST REVENUE (\$)	% OF REV TO TOTAL LESS FUEL COST REVENUE (%)	FUEL COST REVENUE (2) (\$)	PROPOSED TOTAL REVENUE (F + H) (\$)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
46	SL	STREET LIGHTING -- CO OWNED & MAINTAINED (CONT'D.)							
47		UNDERGROUND DISTRIBUTION:							
48		MERCURY VAPOR:							
49			60	4,370	7.03	422	0.0	0	422
50		7,000 LUMEN (4)	336	24,472	11.34	3,810	0.3	0	3,810
51		7,000 LUMEN (5)	12	874	11.39	137	0.0	0	137
52		7,000 LUMEN (8)	360	26,220	13.92	5,011	0.4	0	5,011
53		10,000 LUMEN	84	8,505	8.07	678	0.0	0	678
54		10,000 LUMEN (4)	84	8,505	12.38	1,040	0.1	0	1,040
55		10,000 LUMEN (8)	156	15,795	14.96	2,334	0.2	0	2,334
56		21,000 LUMEN	96	15,312	10.81	1,038	0.1	0	1,038
57		21,000 LUMEN (8)	156	24,882	17.70	2,761	0.2	0	2,761
58		METAL HALIDE:							
59		14,000 LUMEN	228	16,606	7.03	1,603	0.1	0	1,603
60		20,500 LUMEN	756	76,545	8.07	6,101	0.4	0	6,101
61		36,000 LUMEN	444	70,818	10.81	4,800	0.4	0	4,800
62		SODIUM VAPOR:							
63		9,500 LUMEN (8)	648	26,298	14.61	9,467	0.7	0	9,467
64		9,500 LUMEN (OPEN)	60	2,435	5.77	346	0.0	0	346
65		16,000 LUMEN	60	3,555	8.36	502	0.0	0	502
66		22,000 LUMEN	432	34,128	10.87	4,696	0.3	0	4,696
67		22,000 LUMEN (5)	264	20,856	15.23	4,021	0.3	0	4,021
68		22,000 LUMEN (8)	732	57,828	17.76	13,000	1.0	0	13,000
69		22,000 LUMEN (8A)	252	19,908	22.19	5,592	0.4	0	5,592
70		50,000 LUMEN	540	88,155	14.48	7,819	0.6	0	7,819
71		50,000 LUMEN (8)	216	35,262	21.37	4,616	0.3	0	4,616
72		50,000 LUMEN (9)	300	48,896	28.24	8,472	0.6	0	8,472
73		DECORATIVE MERCURY VAPOR:							
74		7,000 LUMEN TOWN & COUNTRY	0	0	7.27	0	0.0	0	0
75		7,000 LUMEN TOWN & COUNTRY (3)	216	15,354	11.64	2,514	0.2	0	2,514
76		7,000 LUMEN TOWN & COUNTRY (10)	5,868	417,117	11.64	68,304	5.0	0	68,304
77		7,000 LUMEN HOLOPHANE	24	1,748	9.17	220	0.0	0	220
78		7,000 LUMEN HOLOPHANE (10)	1,908	138,966	13.54	25,834	1.9	0	25,834
79		7,000 LUMEN GAS REPLICA	60	4,370	21.16	1,270	0.1	0	1,270
80		7,000 LUMEN GRANVILLE (7)	96	6,824	19.24	1,847	0.1	0	1,847
81		7,000 LUMEN ASPEN	24	1,748	13.35	320	0.0	0	320
82		DECORATIVE METAL HALIDE:							
83		14,000 LUMEN TRADITIONAIRE (10)	492	34,973	11.64	5,727	0.4	0	5,727
84		14,000 LUMEN GAS REPLICA (7)	524	38,165	33.13	17,360	1.3	0	17,360
85		14,000 LUMEN GRANVILLE	416	30,299	13.35	5,554	0.4	0	5,554
86		DECORATIVE SODIUM VAPOR:							
87		9,500 LUMEN TOWN & COUNTRY	260	10,552	10.76	2,798	0.2	0	2,798
88		9,500 LUMEN TOWN & COUNTRY (10)	2076	84,251	15.13	31,410	2.3	0	31,410
89		9,500 LUMEN HOLOPHANE	824	27,664	11.65	7,270	0.5	0	7,270
90		9,500 LUMEN HOLOPHANE (10)	360	15,960	16.02	5,767	0.4	0	5,767
91		9,500 LUMEN GAS REPLICA	44	1,951	22.00	968	0.1	0	968
92		9,500 LUMEN GRANVILLE (7)	204	9,044	25.47	5,198	0.4	0	5,198
93		9,500 LUMEN ASPEN (7)	720	31,920	25.47	18,338	1.3	0	18,338
94		9,500 LUMEN TRADITIONAIRE (10)	324	13,149	15.13	4,902	0.4	0	4,902
95		22,000 LUMEN (15)(12)	252	21,483	20.19	5,088	0.4	0	5,088
96		50,000 LUMEN (15)(12)	204	33,303	23.90	4,876	0.4	0	4,876
97		50,000 LUMEN (15)(13)	324	52,893	24.12	7,815	0.6	0	7,815
98		50,000 LUMEN (14)	176	28,732	23.26	4,094	0.3	0	4,094
99		TOTAL UNDERGROUND	21,472	1,650,730		315,738	23.1	0	315,738
100		ADD'L FACILITIES CHARGE:							
101		OVERHEAD		1,599	0.52	831	0.1		831
102		UNDERGROUND		19,074	0.75	14,306	1.0		14,306
103		TOTAL ADD'L FACILITIES CHG		20,673		15,137	1.1	0	15,137
104		TOTAL RATE SL		142,529	11,420,000	1,368,387	100.0	0	1,368,387

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021819 PER KWH.
(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.
(3) WITH 17' WOOD LAMINATED POLE.
(4) WITH 30' WOOD POLE.
(5) WITH 35' WOOD POLE.

(6) WITH 40' WOOD POLE.
(7) WITH 12' ALUM POLE.
(8) WITH 28' ALUM POLE.
(8A) WITH 28' ALUM POLE HEAVY GAUGE.
(9) WITH 30' ALUM POLE.
(10) WITH 17' FIBERGLASS POLE.

(11) WITH 12' FIBERGLASS POLE.
(12) WITH 30' FIBERGLASS POLE.
(13) WITH 35' FIBERGLASS POLE.
(14) FIXTURE TYPE - SETBACK.
(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	TL	TRAFFIC LIGHTING							
2		SERVICE							
3	(A)	WHERE COMPANY							
4		SUPPLIES ENERGY ONLY (3):							
5	ALL CONSUMPTION		23,628	982,430	0.035196	34,578	10.9	0	34,578
6	(B)	WHERE COMPANY							
7		SUPPLIES ENERGY FROM A							
8		SEPARATELY METERED SOURCE							
9		AND PROVIDES LIMITED							
10		MAINTENANCE:							
11	ALL CONSUMPTION				0.020695	0	0.0	0	0
12	(C)	WHERE COMPANY							
13		SUPPLIES ENERGY AND							
14		PROVIDES LIMITED							
15		MAINTENANCE (3):							
16	ALL CONSUMPTION		64,992	5,050,570	0.055892	282,286	89.1	0	282,286
17	TOTAL RATE TL		88,620	6,033,000		316,864	100.0	0	316,864

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 17 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED	% OF REV TO	FUEL COST REVENUE (2) (H)	PROPOSED
						REVENUE LESS FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)		TOTAL REVENUE (F + H) (I)
	(A)	(B)	(C)	(KWH)	(\$/KWH)/ (\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	UOLS	UNMETERED OUTDOOR LIGHTING SERV							
2	BASE RATE		110	13,000	0.034621	450	100.0	0	450
3	TOTAL RATE UOLS		110	13,000		450	100.0	0	450
4	OL	OUTDOOR LIGHTING SERV							
5	(A)	PRIVATE OUTDOOR LIGHTING UNITS:							
6		MERCURY VAPOR:							
7	7,000 LUMEN (OPEN)		9,091	646,218	8.42	76,546	12.5	0	76,546
8	7,000 LUMEN		1,497	109,029	10.81	16,183	2.6	0	16,183
9	10,000 LUMEN		1,788	181,035	12.58	22,493	3.7	0	22,493
10	21,000 LUMEN		2,712	432,564	16.09	43,636	7.1	0	43,636
11	SODIUM VAPOR (OH)								
12	9,500 LUMEN (OPEN)		9,852	399,827	7.45	73,397	12.0	0	73,397
13	9,500 LUMEN		2,292	93,017	9.73	22,301	3.6	0	22,301
14	16,000 LUMEN		240	14,220	10.94	2,626	0.4	0	2,626
15	22,000 LUMEN		1,824	144,096	12.07	22,016	3.6	0	22,016
16	27,500 LUMEN		48	3,792	12.07	579	0.2	0	579
17	50,000 LUMEN		2,772	452,529	13.91	38,559	6.3	0	38,559
18	METAL HALIDE								
19	14,000 LUMEN		132	13,814	10.81	1,427	0.2	0	1,427
20	20,500 LUMEN		168	21,010	12.58	2,113	0.3	0	2,113
21	36,000 LUMEN		360	61,420	16.09	5,792	0.9	0	5,792
22	DECORATIVE MV 7,000 LUMEN:								
23	TOWN & COUNTRY		744	52,888	12.99	9,665	1.6	0	9,665
24	HOLOPHANE		216	15,732	16.77	3,622	0.8	0	3,622
25	GAS REPLICA		0	0	40.75	0	0.0	0	0
26	ASPEN		96	6,992	25.14	2,413	0.4	0	2,413
27	DECORATIVE SV 9,500 LUMEN:								
28	TOWN & COUNTRY		1,380	56,005	20.63	28,469	4.6	0	28,469
29	HOLOPHANE		12	532	22.35	268	0.1	0	268
30	RECTILINEAR		0	0	18.36	0	0.0	0	0
31	GAS REPLICA		0	0	43.04	0	0.0	0	0
32	ASPEN		0	0	26.05	0	0.0	0	0
33	22,000 LUMEN (RECTILINEAR)		0	0	21.78	0	0.0	0	0
34	50,000 LUMEN (RECTILINEAR)		0	0	27.51	0	0.0	0	0
35	50,000 LUMEN (SETBACK)		72	11,754	42.99	3,095	0.5	0	3,095
36	TOTAL POL UNITS		35,296	2,716,272		375,200	61.2	0	375,200
37	(B)	FLOODLIGHTING UNITS:							
38	METAL HALIDE:								
39	20,500 LUMEN		144	14,580	12.58	1,812	0.2	0	1,812
40	36,000 LUMEN		288	45,936	16.10	4,637	0.8	0	4,637
41	MERCURY VAPOR:								
42	21,000 LUMEN		1,200	191,400	16.10	19,320	3.2	0	19,320
43	SODIUM VAPOR:								
44	22,000 LUMEN		2,316	197,439	11.97	27,723	4.5	0	27,723
45	30,000 LUMEN		240	20,460	11.97	2,873	0.5	0	2,873
46	50,000 LUMEN		12,348	2,054,913	14.71	181,639	29.6	0	181,639
47	TOTAL FL UNITS		16,536	2,524,728		238,004	38.8	0	238,004
48	TOTAL RATE OL		51,832	5,241,000		613,204	100.0	0	613,204

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S).:
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 18 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE LESS FUEL COST (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
	(A)	(B)	(C)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	NSU	NON STANDARD STREET LIGHT UNITS							
2	(A)	COMPANY OWNED							
3	(1)	BOULEVARD INCANDESCENT(UG):							
4	2,500	LUMEN SERIES	240	12,320	8.95	2,148	3.4	0	2,148
5	2,500	LUMEN MULTIPLE	288	18,864	6.88	1,981	3.1	0	1,981
6	(2)	HOLOPHANE DECORATIVE:							
7	10,000	LUMEN MV W							
8	17'	FIBERGLASS POLE	372	37,665	16.26	6,049	9.6	0	6,049
9	(3)	STREET LGT UNITS (OH)							
10	2,500	LUMEN INCANDESCENT	1,199	78,508	6.82	8,177	13.0	0	8,177
11	2,500	LUMEN MERCURY VAPOR	6,112	230,557	6.51	39,789	63.2	0	39,789
12	21,000	LUMEN MERCURY VAPOR	408	65,076	10.11	4,125	6.6	0	4,125
13	TOTAL	COMPANY OWNED	8,619	442,990		62,269	98.9	0	62,269
14	(B)	CUSTOMER OWNED WITH LTD MAINT							
15	(1)	BOULEVARD INCANDESCENT(UG):							
16	2,500	LUMEN SERIES	60	3,080	5.23	314	0.5	0	314
17	2,500	LUMEN MULTIPLE	60	3,930	6.65	399	0.6	0	399
18	TOTAL	CUSTOMER OWNED	120	7,010		713	1.1	0	713
19	TOTAL RATE	NSU	8,739	450,000		62,982	100.0	0	62,982

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 19 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED	% OF REV TO	FUEL COST	PROPOSED
						REVENUE LESS FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)	REVENUE (2) (H)	TOTAL REVENUE (F + H) (I)
	(A)	(B)	(C)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	NSP	NON STD PRIVATE OUTDOOR LIGHTING							
2	POL	(A) PRIVATE OUTDOOR LIGHT UNITS:							
3		2,500 LUMEN MERCURY (OPEN)	3,060	121,890	7.57	23,164	44.4	0	23,164
4		2,500 LUMEN MERCURY (ENCL)	252	10,038	10.39	2,618	5.0	0	2,618
5		TOTAL RATE POL	3,312	131,928		25,782	49.4	0	25,782
6	URD	(B) OUTDOOR LIGHTING UNITS							
7		-- SERVED UG RES DIST AREAS:							
8		MERCURY VAPOR							
9		7,000 LUMEN, WITH							
10		17' FIBERGLASS POLE	204	14,538	14.13	2,883	5.5	0	2,883
11		7,000 LUMEN, WITH							
12		17' WOOD LAM POLE	216	15,354	14.13	3,052	5.9	0	3,052
13		7,000 LUMEN, WITH							
14		30' WOOD POLE	179	12,724	13.05	2,336	4.5	0	2,336
15		SODIUM VAPOR							
16		9,500 LUMEN TC 100 R	781	31,696	10.92	8,529	16.3	0	8,529
17		TOTAL RATE URD	1,380	74,312		16,800	32.2	0	16,800
18	FL	FLOOD LIGHT							
19		MERCURY VAPOR							
20		52,000 LUMEN, WITH							
21		35' WOOD POLE	12	4,584	27.20	326	0.6	0	326
22		52,000 LUMEN, WITH							
23		50' WOOD POLE	0	0	30.74	0	0.0	0	0
24		SODIUM VAPOR							
25		50,000 LUMEN	485	79,176	19.09	9,259	17.8	0	9,259
26		TOTAL RATE FL	497	83,760		9,585	18.4	0	9,585
27		TOTAL RATE NSP	5,189	290,000		52,167	100.0	0	52,167

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED	% OF REV TO	FUEL COST REVENUE (2)	PROPOSED
						REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)		TOTAL REVENUE (F + H)
	(A)	(B)	(C)	(KWH)	(\$/UNIT)/ (\$/KWH)	(\$)	(%)	(\$)	(\$)
1	SC	STREET LIGHTING -							
2		CUST OWNED/LTD MAINT							
3		STANDARD UNIT-COBRAHEAD							
4		MERCURY VAPOR --							
5		7,000 LUMEN	0	0	4.04	0	0.0	0	0
6		10,000 LUMEN	0	0	5.12	0	0.0	0	0
7		21,000 LUMEN	0	0	7.07	0	0.0	0	0
8		METAL HALIDE --							
9		14,000 LUMEN	0	0	4.04	0	0.0	0	0
10		20,500 LUMEN	0	0	5.12	0	0.0	0	0
11		36,000 LUMEN	0	0	7.07	0	0.0	0	0
12		SODIUM VAPOR--							
13		9,500 LUMEN	24	974	4.86	117	2.9	0	117
14		16,000 LUMEN	0	0	5.49	0	0.0	0	0
15		22,000 LUMEN	0	0	5.99	0	0.0	0	0
16		27,500 LUMEN	0	0	5.99	0	0.0	0	0
17		50,000 LUMEN	0	0	8.00	0	0.0	0	0
18		DECORATIVE UNITS:							
19		7,000 LUMEN MERCURY VAPOR--							
20		HOLOPHANE	0	0	5.16	0	0.0	0	0
21		TOWN & COUNTRY	0	0	5.12	0	0.0	0	0
22		GAS REPLICA	0	0	5.16	0	0.0	0	0
23		ASPEN	0	0	5.16	0	0.0	0	0
24		14,000 LUMEN METAL HALIDE--							
25		TRADITIONAIRE	0	0	5.12	0	0.0	0	0
26		GAS REPLICA	0	0	5.16	0	0.0	0	0
27		GRANVILLE ACORN	0	0	5.16	0	0.0	0	0
28		9,500 LUMEN SODIUM VAPOR--							
29		TOWN & COUNTRY	0	0	4.87	0	0.0	0	0
30		RECTILINEAR	0	0	4.87	0	0.0	0	0
31		ASPEN	0	0	5.08	0	0.0	0	0
32		HOLOPHANE	0	0	5.08	0	0.0	0	0
33		GAS REPLICA	0	0	5.08	0	0.0	0	0
34		TRADITIONAIRE	0	0	4.87	0	0.0	0	0
35		GRANVILLE ACORN	0	0	5.08	0	0.0	0	0
36		SODIUM VAPOR --							
37		22,000 LUMEN (RECTILINEAR)	0	0	6.35	0	0.0	0	0
38		50,000 LUMEN (RECTILINEAR)	0	0	8.29	0	0.0	0	0
39		CUST OWNED/CUST MAINT							
40		ENERGY ONLY	2,200	113,026	0.034621	3,913	97.1	0	3,913
41		TOTAL RATE SC	2,224	114,000		4,030	100.0	0	4,030

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(ELECTRIC SERVICE)

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 21 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED	% OF REV TO	FUEL COST	FUEL COST	PROPOSED
						REVENUE LESS FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)	REVENUE (2) (H)	TOTAL REVENUE (F + H) (I)	
(A)	(B)	(C)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)	(\$)	
1 SE		STREET LIGHTING								
2		OVERHEAD EQUIVALENT RATE								
3		MERCURY VAPOR 7,000 LUMEN:								
4	TOWN & COUNTRY		6,449	458,417	7.00	45,143	26.7	0	45,143	
5	HOLOPHANE		2,102	153,096	7.03	14,777	8.7	0	14,777	
6	GAS REPLICA		696	50,692	7.03	4,893	2.9	0	4,893	
7	ASPEN		132	9,614	7.03	928	0.5	0	928	
8		SODIUM VAPOR 9,500 LUMEN:								
9	TOWN & COUNTRY		2,292	93,017	7.72	17,694	10.5	0	17,694	
10	TRADITIONAIRE		0	0	7.72	0	0.0	0	0	
11	HOLOPHANE		2,364	104,804	7.80	18,439	10.9	0	18,439	
12	RECTILINEAR		972	39,447	7.72	7,504	4.4	0	7,504	
13	GAS REPLICA		1,212	53,732	7.80	9,454	5.6	0	9,454	
14	GRANVILLE		84	3,724	7.80	655	0.4	0	655	
15	ASPEN		2,616	115,976	7.80	20,405	12.1	0	20,405	
16		SODIUM VAPOR:								
17	22,000 LUMEN (RECTILINEAR)		504	42,966	11.00	5,544	3.3	0	5,544	
18	50,000 LUMEN (RECTILINEAR)		24	3,918	14.48	348	0.3	0	348	
19	50,000 LUMEN (SETBACK)		0	0	14.48	0	0.0	0	0	
20		METAL HALIDE:								
21	14,000 TRADITIONAIRE		2,248	159,795	7.00	15,736	9.3	0	15,736	
22	14,000 GRANVILLE		466	33,940	7.03	3,276	1.9	0	3,276	
23	14,000 GAS REPLICA		612	43,862	7.03	4,302	2.5	0	4,302	
24	TOTAL RATE SE		22,773	1,367,000		169,098	100.0	0	169,098	

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL COMPONENT OF \$0.000000 PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
REVENUES AT PRESENT AND PROPOSED RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments
6 MOS ACTUAL/6 MOS FORECASTED

SCHEDULE M
PAGE 1 OF 1
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CLASSIFICATION (A)	REVENUE AT PRESENT RATES (B)	REVENUE AT PROPOSED RATES (C)	REVENUE CHANGE (AMOUNT) (D=C-B)	% OF REVENUE CHANGE (E=D / B)
1	RESIDENTIAL SERVICE (RS)	95,127,843	126,923,610	31,795,767	33.42%
2	TOTAL RESIDENTIAL	95,127,843	126,923,610	31,795,767	33.42%
3	DISTRIBUTION SERVICE (DS)	66,355,541	82,013,801	15,658,260	23.60%
4	DT PRIMARY TIME OF DAY (DT-PRI)	19,734,224	24,999,176	5,264,952	26.68%
5	DT SECONDARY TIME OF DAY (DT-SEC)	38,117,987	48,225,135	10,107,148	26.52%
6	ELEC SPACE HEATING (EH)	663,943	912,260	248,317	37.40%
7	SPORTS SERVICE (SP)	32,728	37,393	4,665	14.25%
8	SMALL FIXED LOADS (GSFL)	469,241	505,210	35,969	7.67%
9	PRIMARY VOLTAGE (DP)	1,858,642	2,382,134	523,492	28.17%
10	TOTAL DISTRIBUTION	127,232,306	159,075,109	31,842,803	25.03%
11	TIME OF DAY (TT)	8,283,386	9,706,504	1,423,118	17.18%
12	TOTAL TRANSMISSION	8,283,386	9,706,504	1,423,118	17.18%
13	DT PRIMARY-REAL TIME PRICING (DT-RTP PRI)	962,447	986,356	23,909	2.48%
14	DT SECONDARY-REAL TIME PRICING (DT-RTP SEC)	367,192	380,097	12,905	3.51%
15	DS-REAL TIME PRICING (DS-RTP)	88,228	92,677	4,449	5.04%
16	TT-REAL TIME PRICING (TT-RTP)	468,955	475,509	6,554	1.40%
17	TOTAL REAL TIME PRICING	1,886,822	1,934,639	47,817	2.53%
18	STREET LIGHTING (SL)	1,030,233	1,211,166	180,933	17.56%
19	TRAFFIC LIGHTING (TL)	230,569	278,665	48,096	20.86%
20	UNMTRD OUTDR LIGHT (UOLS)	414	515	101	24.40%
21	OUTDOOR LIGHT SERV (OL)	519,963	611,435	91,472	17.59%
22	NON STD STREET LIGHT (NSU)	49,252	57,694	8,442	17.14%
23	NON STD POL'S (NSP)	45,575	53,153	7,578	16.63%
24	S L - CUST OWNED (SC)	2,912	3,613	701	24.07%
25	S L - OVRHD EQUIV (SE)	132,832	155,866	23,034	17.34%
26	TOTAL LIGHTING	2,011,750	2,372,107	360,357	17.91%
27	TOTAL RETAIL REVENUE	234,542,107	300,011,969	65,469,862	27.91%
28	INTERDEPARTMENTAL	167,080	247,043	79,963	47.86%
29	INTERRUPTIBLE DEMAND CR	(58,320)	(58,320)	0	0.00%
30	BAD CHECK CHARGES	8,681	8,681	0	0.00%
31	RECONNECTION CHGS	49,005	49,005	0	0.00%
32	RENTS	7,411,563	7,411,563	0	0.00%
33	INTERCOMPANY	119,144	119,144	0	0.00%
34	SPECIAL CONTRACTS	6,786	10,735	3,949	58.20%
35	OTHER MISC	3,744,856	3,744,856	0	0.00%
36	TOTAL MISC	11,448,795	11,532,707	83,912	0.73%
37	TOTAL REVENUE	245,990,902	311,544,676	65,553,774	26.65%

Prepared 5/25/06 12:57pm

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
BASE PERIOD REVENUES AT AVERAGE RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.1
PAGE 1 OF 1
WITNESS:
JEFFREY R. BAILEY

BASE PERIOD ACTUAL

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	BASE PERIOD REVENUE LESS FUEL COST REVENUE (E)		% OF REV TO TOTAL EXCLUSIVE OF FUEL COST (G)		FUEL COST REVENUE (H)	BASE PERIOD REVENUE TOTAL (I)		% OF REV TO TOTAL (J)
					(KWH)	(\$)	(¢/KWH)	(%)		(\$)	(\$)	
1	RS	RESIDENTIAL SERV	1,431,721	1,473,142,411	98,847,528	6.71	38.51	(3,719,685)	95,127,843	38.67		
2	DS	DISTRIBUTION SERV	144,676	1,030,513,961	68,957,589	6.69	26.87	(2,602,048)	66,355,541	26.97		
3	DT-PRI	TIME OF DAY	415	429,715,698	20,819,256	4.84	8.11	(1,085,032)	19,734,224	8.02		
4	DT-SEC	TIME OF DAY	2,188	720,100,341	39,936,240	5.55	15.56	(1,818,253)	38,117,987	15.50		
5	EH	ELEC SPACE HEATING	863	13,405,068	697,791	5.21	0.27	(33,848)	663,943	0.27		
6	SP	SPORTS SERV	315	373,648	33,671	9.01	0.01	(943)	32,728	0.01		
7	GSFL	SMALL FIXED LOADS	10,358	6,182,751	484,852	7.84	0.19	(15,611)	469,241	0.19		
8	DP	PRIMARY VOLTAGE	152	35,131,112	1,947,348	5.54	0.76	(88,706)	1,858,642	0.76		
9	TT	TIME OF DAY	144	175,012,980	8,725,294	4.99	3.40	(441,908)	8,283,386	3.37		
10	DT-RTP PRI	REAL TIME PRICING	13	24,483,131	1,368,035	5.59	0.53	(405,588)	962,447	0.39		
11	DT-RTP SEC	REAL TIME PRICING	64	8,471,145	507,525	5.99	0.20	(140,333)	367,192	0.15		
12	DS-RTP	REAL TIME PRICING	90	1,160,783	107,458	9.26	0.04	(19,230)	88,228	0.04		
13	TT-RTP	REAL TIME PRICING	31	13,326,414	689,720	5.18	0.27	(220,765)	468,955	0.19		
14	SL	STREET LIGHTING	131,043	10,314,099	1,056,276	10.24	0.41	(26,043)	1,030,233	0.42		
15	TL	TRAFFIC LIGHTING	88,620	5,274,688	243,888	4.62	0.10	(13,319)	230,569	0.09		
16	UOLS	UNMTRD OUTDR LIGHT	121	14,862	452	3.04	-	(38)	414	-		
17	OL	OUTDOOR LIGHT SERV	51,703	5,220,403	533,145	10.21	0.21	(13,182)	519,963	0.21		
18	NSU	NON STD STREET LIGHT	8,030	405,390	50,276	12.40	0.02	(1,024)	49,252	0.02		
19	NSP	NON STD POL'S	5,255	296,186	46,323	15.64	0.02	(748)	45,575	0.02		
20	SC	S L - CUST OWNED	2,208	103,162	3,172	3.07	-	(260)	2,912	-		
21	SE	S L - OVR HD EQUIV	20,889	1,232,757	135,945	11.03	0.05	(3,113)	132,832	0.05		
22	ID01	INTERDEPARTMENTAL	12	2,965,702	174,568	5.89	0.07	(7,488)	167,080	0.07		
23	IS	INTERRUPTIBLE DEMAND CR	0	0	(58,320)	-	(0.02)	0	(58,320)	(0.02)		
24		BAD CHECK CHARGES	0	0	8,681	-	-	0	8,681	-		
25		RECONNECTION CHGS	0	0	49,005	-	0.02	0	49,005	0.02		
26		RENTS	0	0	7,411,563	-	2.89	0	7,411,563	3.01		
27		INTERCOMPANY	0	0	119,144	-	0.05	0	119,144	0.05		
28	WS	SPECIAL CONTRACTS	126	175,920	7,230	4.11	-	(444)	6,786	0.01		
29		OTHER MISC	0	0	3,744,856	-	1.46	0	3,744,856	1.52		
30	TOTAL		1,899,037	3,957,022,612	256,648,511	6.49	100.00	(10,657,609)	245,990,902	100.00		

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 AND M-2.3.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 1 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST (K)	% OF REV TO TOTAL LESS FUEL COST (L)	REVENUE INCR LESS FUEL COST (F - K) (M)	% INCR IN REV LESS FUEL COST (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(¢/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL SERV	1,431,721	1,473,142,411	6.71	98,847,528	100.00	28,076,082	28.4	(3,719,685)	95,127,843	29.5
2		TOTAL RESIDENTIAL	1,431,721	1,473,142,411	6.71	98,847,528	38.51	28,076,082	28.4	(3,719,685)	95,127,843	29.5
3	DS	DISTRIBUTION SERV	144,676	1,030,513,961	6.69	68,957,589	51.90	13,056,212	18.9	(2,602,048)	66,355,541	19.7
4	DT-PRI	TIME OF DAY	415	429,715,698	4.84	20,819,256	15.67	4,179,920	20.1	(1,085,032)	19,734,224	21.2
5	DT-SEC	TIME OF DAY	2,188	720,100,341	5.55	39,936,240	30.06	8,288,895	20.8	(1,818,253)	38,117,987	21.7
6	EH	ELEC SPACE HEATING	863	13,405,068	5.21	697,791	0.53	214,469	30.7	(33,848)	663,943	32.3
7	SP	SPORTS SERV	315	373,648	9.01	33,671	0.03	3,722	11.1	(943)	32,728	11.4
8	GSFL	SMALL FIXED LOADS	10,358	6,182,751	7.84	484,852	0.36	20,358	4.2	(15,611)	469,241	4.3
9	DP	PRIMARY VOLTAGE	152	35,131,112	5.54	1,947,348	1.47	434,786	22.3	(88,706)	1,858,642	23.4
10		TOTAL DISTRIBUTION	158,967	2,235,422,579	5.94	132,876,747	51.77	26,198,362	19.7	(5,644,441)	127,232,306	20.6
11	TT	TIME OF DAY	144	175,012,980	4.99	8,725,294	100.00	981,210	11.2	(441,908)	8,283,386	11.8
12		TOTAL TRANSMISSION	144	175,012,980	4.99	8,725,294	3.40	981,210	11.2	(441,908)	8,283,386	11.8
13	DT-RTP PRI	REAL TIME PRICING	13	24,483,131	5.59	1,368,035	51.18	23,909	1.7	(405,588)	962,447	2.5
14	DT-RTP SEC	REAL TIME PRICING	64	8,471,145	5.99	507,525	18.99	12,905	2.5	(140,333)	367,192	3.5
15	DS-RTP	REAL TIME PRICING	90	1,160,783	9.26	107,458	4.02	4,449	4.1	(19,230)	88,228	5.0
16	TT-RTP	REAL TIME PRICING	31	13,326,414	5.18	689,720	25.81	6,554	1.0	(220,765)	468,955	1.4
17		TOTAL REAL TIME PRICING	198	47,441,473	5.63	2,672,738	1.04	47,817	1.8	(785,916)	1,886,822	2.5
18	SL	STREET LIGHTING	131,043	10,314,099	10.24	1,056,276	51.04	154,890	14.7	(26,043)	1,030,233	15.0
19	TL	TRAFFIC LIGHTING	88,620	5,274,688	4.62	243,888	11.79	34,777	14.3	(13,319)	230,569	15.1
20	UOLS	UNMTRD OUTDR LIGHT	121	14,862	3.04	452	0.02	63	13.9	(38)	414	15.2
21	OL	OUTDOOR LIGHT SERV	51,703	5,220,403	10.21	533,145	25.76	78,290	14.7	(13,182)	519,963	15.1
22	NSU	NON STD STREET LIGHT	8,030	405,390	12.40	50,276	2.43	7,418	14.8	(1,024)	49,252	15.1
23	NSP	NON STD POL'S	5,255	296,186	15.64	46,323	2.24	6,830	14.7	(748)	45,575	15.0
24	SC	S L - CUST OWNED	2,208	103,162	3.07	3,172	0.15	441	13.9	(260)	2,912	15.1
25	SE	S L - OVR HD EQUIV	20,889	1,232,757	11.03	135,945	6.57	19,921	14.7	(3,113)	132,832	15.0
26		TOTAL LIGHTING	307,869	22,861,547	9.05	2,069,477	0.81	302,630	14.6	(57,727)	2,011,750	15.0
27	ID01	INTERDEPARTMENTAL	12	2,965,702	5.89	174,568	1.52	0	0.0	(7,488)	167,080	0.0
28	IS	INTERRUPTIBLE DEMAND CF	0	0	-	(58,320)	(0.51)	0	0.0	0	(58,320)	0.0
29		BAD CHECK CHARGES	0	0	-	8,681	0.08	0	0.0	0	8,681	0.0
30		RECONNECTION CHGS	0	0	-	49,005	0.43	0	0.0	0	49,005	0.0
31		RENTS	0	0	-	7,411,563	64.69	0	0.0	0	7,411,563	0.0
32		INTERCOMPANY	0	0	-	119,144	1.04	0	0.0	0	119,144	0.0
33	WS	SPECIAL CONTRACTS	126	175,920	4.11	7,230	0.06	0	0.0	(444)	6,786	0.0
34		OTHER MISC	0	0	-	3,744,856	32.69	0	0.0	0	3,744,856	0.0
35		TOTAL MISC	138	3,141,622	364.68	11,456,727	4.46	0	0.0	(7,932)	11,448,795	0.0
36		TOTAL	1,899,037	3,957,022,612	6.49	256,648,511	100.00	55,606,101	21.7	(10,657,609)	245,990,902	22.6

NOTE: DETAIL CONTAINED ON SCHEDULES M-2.2 PAGES 2 THROUGH 21.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 2 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	RS	RESIDENTIAL										
2	SUMMER:											
3	CUSTOMER CHARGE:											
4	BILLS		477,236		\$3.73	1,780,090	1.8	606,090	34.0		1,780,090	34.0
5	ENERGY CHARGE (3):											
6	FIRST 1000 KWH			372,710,470	\$0.065620	24,457,261	24.7	5,843,728	23.9	(941,094)	23,516,167	24.8
7	ADDITIONAL KWH			192,224,913	\$0.068730	13,211,618	13.4	2,416,075	18.3	(485,368)	12,726,250	19.0
8	TOTAL			564,935,383		37,668,879	38.1	8,259,803	21.9	(1,426,462)	36,242,417	22.8
9	TOTAL SUMMER		477,236	564,935,383		39,448,969	39.9	8,865,893	22.5	(1,426,462)	38,022,507	23.3
10	WINTER:											
11	CUSTOMER CHARGE:											
12	BILLS		954,485		\$3.73	3,560,229	3.6	1,212,196	34.0		3,560,229	34.0
13	ENERGY CHARGE (3):											
14	FIRST 1000 KWH			658,159,469	\$0.065620	43,188,424	43.7	10,319,283	23.9	(1,661,853)	41,526,571	24.8
15	ADDITIONAL KWH			250,047,559	\$0.050590	12,649,906	12.8	7,678,710	60.7	(631,370)	12,018,536	63.9
16	TOTAL			908,207,028		55,838,330	56.5	17,997,993	32.2	(2,293,223)	53,545,107	33.6
17	TOTAL WINTER		954,485	908,207,028		59,398,559	60.1	19,210,189	32.3	(2,293,223)	57,105,336	33.6
18	TOTAL RATE RS		1,431,721	1,473,142,411		98,847,528	100.0	28,076,082	28.4	(3,719,685)	95,127,843	29.5

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 3 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST	% INCR IN REV LESS FUEL COST	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE	TOTAL REVENUE % INCREASE
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K+H)	(O)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DS	SERVICE AT										
2		DISTRIBUTION VOLTAGE										
3		CUSTOMER CHARGE:										
4		LOAD MANAGEMENT RIDER	1,411		\$100.00	141,100	0.2	0	0.0		141,100	0.0
5		SINGLE PHASE	83,164		\$5.00	415,820	0.6	207,910	50.0		415,820	50.0
6		THREE PHASE	60,101		\$10.00	601,010	0.9	300,505	50.0		601,010	50.0
7		TOTAL CUSTOMER CHARGE	144,676			1,157,930	1.7	508,415	100.0		1,157,930	43.9
8		DEMAND CHARGE:										
9		FIRST 15 KW		1,385,629	\$0.00	0	0.0	0	0.0		0	0.0
10		ADDITIONAL KW		2,324,221	\$6.53	15,177,163	22.0	3,416,605	22.5		15,177,163	22.5
11		TOTAL DEMAND		3,709,850		15,177,163	22.0	3,416,605	22.5		15,177,163	22.5
12		ENERGY CHARGE (3):										
13		FIRST 6000 KWH		360,782,938	\$0.068960	24,879,591	36.1	4,246,776	17.1	(910,977)	23,968,614	17.7
14		NEXT 300KWH/KW		566,885,730	\$0.042100	23,865,889	34.6	4,200,623	17.6	(1,431,387)	22,434,502	18.7
15		ADDITIONAL KWH		100,475,111	\$0.034970	3,513,615	5.1	598,027	17.0	(253,700)	3,259,915	18.3
16		NON-CHURCH "CAP" RATE		1,236,617	\$0.190330	235,365	0.3	55,548	23.6	(3,122)	232,243	23.9
17		CHURCH CAP RATE		1,133,565	\$0.112950	128,036	0.3	30,218	23.6	(2,862)	125,174	24.1
18		TOTAL ENERGY		1,030,513,961		52,622,496	76.3	9,131,192	17.4	(2,602,048)	50,020,448	18.3
19		TOTAL RATE DS	144,676	1,030,513,961		68,957,589	100.0	13,056,212	18.9	(2,602,048)	66,355,541	19.7

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY - KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

SCHEDULE M-2.2
PAGE 4 OF 21
WITNESS:
JEFFREY R. BAILEY

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		DT-PRI TIME OF DAY PRIMARY										
2		SUMMER:										
3		CUSTOMER CHARGE:										
4		SINGLE PHASE	0		\$5.00	0	0.0	0	0.0		0	0.0
5		THREE PHASE	0		\$10.00	0	0.0	0	0.0		0	0.0
6		PRIMARY VOLTAGE	138		\$100.00	13,800	0.2	0	0.0		13,800	0.0
7		TOTAL CUSTOMER CHARGE	138			13,800	0.2	0	0.0		13,800	0.0
8		DEMAND CHARGE:										
9		ON PEAK KW		247,633	\$9.71	2,404,516	31.8	458,121	19.1		2,404,516	0.0
10		OFF PEAK KW		18,951	\$1.00	18,951	0.3	3,601	19.0		18,951	19.0
11		SUB-TOTAL		266,584		2,423,467	32.1	461,722	19.1		2,423,467	19.1
12		PRIMARY SERV. DIS.										
13		FIRST 1000 KW		102,015	(\$0.50)	(51,008)	(0.7)	(15,302)	30.0		(51,008)	30.0
14		ADDITIONAL KW		145,648	(\$0.35)	(50,977)	(0.7)	(21,847)	42.9		(50,977)	42.9
15		TOTAL DEMAND		247,663		2,321,482	30.7	424,573	18.3		2,321,482	18.3
16		ENERGY CHARGE (3):										
17		ALL KWH		148,217,112	\$0.035190	5,215,760	69.1	998,539	19.1	(374,248)	4,841,512	20.6
18		TOTAL SUMMER	138	148,217,112		7,551,042	100.0	1,423,112	18.8	(374,248)	7,176,794	19.8
19		WINTER:										
20		CUSTOMER CHARGE:										
21		SINGLE PHASE	0		\$5.00	0	0.0	0	0.0		0	0.0
22		THREE PHASE	0		\$10.00	0	0.0	0	0.0		0	0.0
23		PRIMARY VOLTAGE	277		\$100.00	27,700	0.2	0	0.0		27,700	0.0
24		TOTAL CUSTOMER CHARGE	277			27,700	0.2	0	0.0		27,700	0.0
25		DEMAND CHARGE:										
26		ON PEAK KW		433,071	\$8.03	3,477,560	26.2	918,111	26.4		3,477,560	0.0
27		OFF PEAK KW		37,903	\$1.00	37,903	0.2	7,202	19.0		37,903	19.0
28		SUB-TOTAL		470,974		3,515,463	26.4	925,313	26.3		3,515,463	26.3
29		PRIMARY SERV. DIS.										
30		FIRST 1000 KW		195,394	(\$0.50)	(97,697)	(0.7)	(29,309)	30.0		(97,697)	30.0
31		ADDITIONAL KW		237,677	(\$0.35)	(83,187)	(0.6)	(35,652)	42.9		(83,187)	42.9
32		TOTAL DEMAND		433,071		3,334,579	25.1	860,352	25.8		3,334,579	25.8
33		ENERGY CHARGE (3):										
34		ALL KWH		281,498,586	\$0.035190	9,905,935	74.7	1,896,456	19.1	(710,784)	9,195,151	20.6
35		TOTAL WINTER	277	281,498,586		13,268,214	100.0	2,756,808	20.8	(710,784)	12,557,430	22.0
36		TOTAL RATE DT PRIMARY	415	429,715,698		20,819,256	100.0	4,179,920	20.1	(1,085,032)	19,734,224	21.2

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
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SCHEDULE M-2.2
PAGE 5 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DT-SEC	TIME OF DAY SECONDARY										
2	SUMMER:											
3	CUSTOMER CHARGE:											
4	SINGLE PHASE		0		\$5.00	0	0.0	0	0.0		0	0.0
5	THREE PHASE		729		\$10.00	7,290	0.0	3,645	50.0		7,290	50.0
6	PRIMARY VOLTAGE		0		\$100.00	0	0.0	0	0.0		0	0.0
7	TOTAL CUSTOMER CHARGE		729			7,290	0.0	3,645	50.0		7,290	50.0
8	DEMAND CHARGE:											
9	ON PEAK KW			586,889	\$9.71	5,698,692	38.6	1,085,745	19.1		5,698,692	0.0
10	OFF PEAK KW			8,347	\$1.00	8,347	0.1	1,586	19.0		8,347	19.0
11	SUB-TOTAL			595,236		5,707,039	38.7	1,087,331	19.1		5,707,039	19.1
12	PRIMARY SERV. DIS.											
13	FIRST 1000 KW			0	(\$0.50)	0	0.0	0	0.0		0	0.0
14	ADDITIONAL KW			0	(\$0.35)	0	0.0	0	0.0		0	0.0
15	TOTAL DEMAND					5,707,039	38.7	1,087,331	19.1		5,707,039	19.1
16	ENERGY CHARGE (3):											
17	ALL KWH			256,854,599	\$0.035190	9,038,713	61.3	1,730,430	19.1	(648,558)	8,390,155	20.6
18	TOTAL SUMMER		729	256,854,599		14,753,042	100.0	2,821,406	19.1	(648,558)	14,104,484	20.0
19	WINTER:											
20	CUSTOMER CHARGE:											
21	SINGLE PHASE		0		\$5.00	0	0.0	0	0.0		0	0.0
22	THREE PHASE		1,459		\$10.00	14,590	0.1	7,295	50.0		14,590	50.0
23	PRIMARY VOLTAGE		0		\$100.00	0	0.0	0	0.0		0	0.0
24	TOTAL CUSTOMER CHARGE		1,459			14,590	0.1	7,295	50.0		14,590	50.0
25	DEMAND CHARGE:											
26	ON PEAK KW			1,101,430	\$8.03	8,844,483	35.1	2,335,032	26.4		8,844,483	0.0
27	OFF PEAK KW			22,507	\$1.00	22,507	0.2	4,276	19.0		22,507	19.0
28	SUB-TOTAL			1,123,937		8,866,990	35.3	2,339,308	26.4		8,866,990	26.4
29	PRIMARY SERV. DIS.											
30	FIRST 1000 KW			0	(\$0.50)	0	0.0	0	0.0		0	0.0
31	ADDITIONAL KW			0	(\$0.35)	0	0.0	0	0.0		0	0.0
32	TOTAL DEMAND					8,866,990	35.3	2,339,308	26.4		8,866,990	26.4
33	ENERGY CHARGE (3):											
34	ALL KWH			463,245,742	\$0.035190	16,301,618	64.7	3,120,886	19.1	(1,169,695)	15,131,923	20.6
35	TOTAL WINTER		1,459	463,245,742		25,183,198	100.0	5,467,489	21.7	(1,169,695)	24,013,503	22.8
36	TOTAL RATE DT SECONDARY		2,188	720,100,341		39,936,240	100.0	8,288,895	20.8	(1,818,253)	38,117,987	21.7

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)	
			(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)	
1	EH	OPTIONAL RATE FOR										
2		ELEC. SPACE HEATING										
3		CUSTOMER CHARGE:										
4		SINGLE PHASE	240		\$5.00	1,200	0.2	600	50.0		1,200	50.0
5		THREE PHASE	623		\$10.00	6,230	0.9	3,115	50.0		6,230	50.0
6		PRIMARY VOLTAGE	0		\$100.00	0	0.0	0	0.0		0	0.0
7		TOTAL CUSTOMER CHARGE	863			7,430	1.1	3,715	50.0		7,430	50.0
8		DEMAND CHARGE:										
9		ALL KW	54,899		\$0.00	0	0.0	0	0.0		0	0.0
10		ENERGY CHARGE (3):										
11		ALL CONSUMPTION	13,405,068		\$0.051500	690,361	98.9	210,754	30.5	(33,848)	656,513	32.1
12		TOTAL RATE EH	863	13,405,068		697,791	100.0	214,469	30.7	(33,848)	663,943	32.3

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST REV	% INCR IN REV LESS FUEL COST REV	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
(A)	(B)	(C)	(D)	(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	SP	SPORTS SERVICE										
2		MINIMUM BILLS	0		(4)	0	0.0	0	0.0		0	0.0
3		CUSTOMER CHARGE	315		\$5.00	1,575	4.7	788	50.0		1,575	50.0
4		ENERGY CHARGE (3):										
5		ALL CONSUMPTION		373,648	\$0.085900	32,096	95.3	2,934	9.1	(943)	31,153	9.4
6		TOTAL RATE SP	315	373,648		33,671	100.0	3,722	11.1	(943)	32,728	11.4
7		GSFI SMALL FIXED LOADS										
8		MINIMUM BILLS	377	0	\$2.50	943	0.2	71	7.5		943	7.5
9		BASE RATE (3):										
10		LOAD RANGE 540 TO 720 HRS	48	7,419	\$0.067910	504	0.1	20	4.0	(19)	485	4.1
11		LOAD RANGE LESS THAN 540 HRS	9,933	6,175,332	\$0.078280	483,405	99.7	20,267	4.2	(15,592)	467,813	4.3
12		TOTAL RATE GSFL	10,358	6,182,751		484,852	100.0	20,358	4.2	(15,611)	469,241	4.3

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
- (2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
- (3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
- (4) 1.5% OF INSTALLED TRANSFORMER AND METERING COSTS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST	% INCR IN REV LESS FUEL COST	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DP	SERVICE AT PRIMARY DISTRIBUTION VOLTAGE										
2												
3		CUSTOMER CHARGE:										
4		LOAD MANAGEMENT RIDER	23		\$100.00	2,300	0.1	0	0.0		2,300	0.0
5		PRIMARY VOLTAGE	129		\$100.00	12,900	0.7	0	0.0		12,900	0.0
6		TOTAL CUSTOMER CHARGE	152			15,200	0.8	0	0.0		15,200	0.0
7		DEMAND CHARGE:										
8		ALL KW		85,310	\$6.08	518,685	26.6	121,140	23.4		518,685	23.4
9		TOTAL DEMAND		85,310		518,685	26.6	121,140	23.4		518,685	23.4
10		ENERGY CHARGE (3):										
11		FIRST 300KWH/KW		24,307,303	\$0.042520	1,033,547	53.1	223,311	21.6	(61,376)	972,171	23.0
12		ADDITIONAL KWH		10,823,809	\$0.035100	379,916	19.5	90,335	23.8	(27,330)	352,586	25.6
13		TOTAL ENERGY		35,131,112		1,413,463	72.6	313,646	22.2	(88,706)	1,324,757	23.7
14		TOTAL RATE DP	152	35,131,112		1,947,348	100.0	434,786	22.3	(88,706)	1,858,642	23.4

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
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JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALLES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS (F - K) (M)	% INCR IN REV LESS (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
(A)	(B)	(C)	(D)	(KWH/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	TT	TIME OF DAY										
2		SUMMER:										
3		CUSTOMER CHARGE	48		\$500.00	24,000	0.9	0	0.0		24,000	0.0
4		DEMAND CHARGE:										
5		ON PEAK KW		130,171	\$6.52	848,715	32.6	100,232	11.8		848,715	11.8
6		OFF PEAK KW		9,264	\$1.00	9,264	0.4	1,019	11.0		9,264	11.0
7		TOTAL DEMAND		139,435		857,979	33.0	101,251	11.8		857,979	11.8
8		ENERGY CHARGE (3):										
9		ALL KWH		49,317,699	\$0.034850	1,718,722	66.1	189,725	11.0	(124,527)	1,594,195	11.9
10		TOTAL SUMMER	48	49,317,699		2,600,701	100.0	290,976	11.2	(124,527)	2,476,174	11.8
11		WINTER:										
12		CUSTOMER CHARGE	96		\$500.00	48,000	0.8	0	0.0		48,000	0.0
13		DEMAND CHARGE:										
14		ON PEAK KW		315,737	\$5.33	1,682,878	27.5	205,229	12.2		1,682,878	12.2
15		OFF PEAK KW		13,234	\$1.00	13,234	0.2	1,456	11.0		13,234	11.0
16		TOTAL DEMAND		328,971		1,696,112	27.7	206,685	12.2		1,696,112	12.2
17		ENERGY CHARGE (3):										
18		ALL KWH		125,695,281	\$0.034850	4,380,481	71.5	483,549	11.0	(317,381)	4,063,100	11.9
19		TOTAL WINTER	96	125,695,281		6,124,593	100.0	690,234	11.3	(317,381)	5,807,212	11.9
20		TOTAL RATE TT	144	175,012,980		8,725,294	100.0	981,210	11.2	(441,908)	8,283,386	11.8

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

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JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS FUEL COST REV (M / K) (N)	FUEL COST REVENUE (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
						(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		DT RTP TIME OF DAY SERVICE AT PRIMARY DISTRIBUTION VOLTAGE		(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
2												
3		CUSTOMER CHARGE:										
4		BILLS (Real-Time Pricing)	13		\$150.00	1,950	0.1	429	22.0		1,950	22.0
5		TOTAL CUSTOMER CHARGE	13			1,950	0.1	429	22.0		1,950	22.0
6		ENERGY CHARGE:										
7		ALL KWH		24,483,131	\$0.004600	112,622	8.3	23,480	20.8		112,622	20.8
8		ANCILLARY SERVICES		24,483,131	\$0.000740	18,118	1.3	0	0.0		18,118	0.0
9		COMMODITY CHARGES		24,483,131	\$0.050457	1,235,345	90.3	0	0.0	(405,588)	829,757	0.0
10		TOTAL ENERGY		24,483,131		1,366,085	99.9	23,480	1.7	(405,588)	960,497	2.4
11		TOTAL RATE DT RTP PRIMARY	13	24,483,131		1,368,035	100.0	23,909	1.7	(405,588)	962,447	2.5

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
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CURRENT ANNUALIZED

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				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		DS RTP SERVICE AT SECONDARY										
2		DISTRIBUTION VOLTAGE										
3		CUSTOMER CHARGE:										
4		BILLS (Real-Time Pricing)	90		\$150.00	13,500	12.6	2,970	22.0		13,500	22.0
5		TOTAL CUSTOMER CHARGE	90			13,500	12.6	2,970	22.0		13,500	22.0
6		ENERGY CHARGE:										
7		ALL KWH		1,160,783	\$0.004800	5,572	5.2	1,479	26.5		5,572	26.5
8		ANCILLARY SERVICES		1,160,783	\$0.000760	882	0.8	0	0.0		882	0.0
9		COMMODITY CHARGES		1,160,783	\$0.075384	87,504	81.4	0	0.0	(19,230)	68,274	0.0
10		TOTAL ENERGY		1,160,783		93,958	87.4	1,479	1.6	(19,230)	74,728	2.0
11		TOTAL RATE DS RTP	90	1,160,783		107,458	100.0	4,449	4.1	(19,230)	88,228	5.0

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

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(ELECTRIC SERVICE)

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JEFFREY R. BAILEY

CURRENT ANNUALIZED

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				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	TT RTP	TIME OF DAY SERVICE AT										
2		TRANSMISSION VOLTAGE										
3	CUSTOMER CHARGE:											
4	BILLS (Real-Time Pricing)		31		\$150.00	4,650	0.7	1,023	22.0		4,650	22.0
5	TOTAL CUSTOMER CHARGE		<u>31</u>			<u>4,650</u>	<u>0.7</u>	<u>1,023</u>	<u>22.0</u>		<u>4,650</u>	<u>22.0</u>
6	ENERGY CHARGE:											
7	ALL KWH			13,326,414	\$0.001600	21,322	3.1	5,531	25.9		21,322	25.9
8	ANCILLARY SERVICES			13,326,414	\$0.000721	9,608	1.4	0	0.0		9,608	0.0
9	COMMODITY CHARGES			13,326,414	\$0.049086	654,140	94.8	0	0.0	(220,765)	433,375	0.0
10	TOTAL ENERGY			<u>13,326,414</u>		<u>685,070</u>	<u>99.3</u>	<u>5,531</u>	<u>0.8</u>	<u>(220,765)</u>	<u>464,305</u>	<u>1.2</u>
11	TOTAL RATE TT RTP		<u>31</u>	<u>13,326,414</u>		<u>689,720</u>	<u>100.0</u>	<u>6,554</u>	<u>1.0</u>	<u>(220,765)</u>	<u>468,955</u>	<u>1.4</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: ___X___ BASE PERIOD ___FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___UPDATED___ REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 14 OF 21
WITNESS RESPONSIBLE:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(1A)	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV	% INCR IN REV LESS FUEL COST REV	FUEL COST REVENUE (2)	CURRENT REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(F - K)	(M / K)	(H)	(K)	(O)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	SL	STREET LIGHTING - CO OWNED & MAINTAINED										
2		OVERHEAD DISTRIBUTION:										
3		MERCURY VAPOR:										
4		7,000 LUMEN (OPEN)	24	1,706	5.02	120	0.0	18	15.0	(4)	116	15.5
5		7,000 LUMEN (OPEN) (5)	0	0	8.81	0	0.0	0	0.0	0	0	0.0
6		7,000 LUMEN	66,721	4,464,747	6.03	402,328	38.1	58,714	14.6	(11,273)	391,055	15.0
7		7,000 LUMEN (4)	24	1,606	9.78	235	0.0	34	14.5	(4)	231	14.7
8		7,000 LUMEN (5)	576	38,544	9.82	5,656	0.5	836	14.8	(97)	5,559	15.0
9		7,000 LUMEN (6)	24	1,606	10.58	254	0.0	37	14.6	(4)	250	14.8
10		7,000 LUMEN (8A)	132	8,833	12.08	1,595	0.2	236	14.8	(22)	1,573	15.0
11		10,000 LUMEN	2,268	216,216	6.93	15,717	1.5	2,291	14.6	(546)	15,171	15.1
12		10,000 LUMEN (5)	12	1,144	10.72	129	0.0	19	14.7	(3)	126	15.1
13		21,000 LUMEN	9,108	1,357,851	9.25	84,249	8.0	12,114	14.4	(3,429)	80,820	15.0
14		21,000 LUMEN (5)	156	23,257	13.04	2,034	0.2	297	14.6	(59)	1,975	15.0
15		METAL HALIDE:										
16		14,000 LUMEN	252	16,863	6.03	1,520	0.1	221	14.5	(43)	1,477	15.0
17		20,500 LUMEN	84	8,008	6.93	582	0.1	85	14.6	(20)	562	15.1
18		36,000 LUMEN	0	0	9.25	0	0.0	0	0.0	0	0	0.0
19		SODIUM VAPOR:										
20		9,500 LUMEN (OPEN)	108	4,383	5.02	542	0.1	81	14.9	(11)	531	15.3
21		9,500 LUMEN	18,624	755,824	6.72	125,153	11.8	18,624	14.9	(1,908)	123,245	15.1
22		9,500 LUMEN (4)	48	1,948	10.47	503	0.0	74	14.7	(5)	498	14.9
23		9,500 LUMEN (5)	684	27,759	10.51	7,189	0.7	1,074	14.9	(70)	7,119	15.1
24		9,500 LUMEN (6)	84	3,409	11.27	947	0.1	141	14.9	(9)	938	15.0
25		16,000 LUMEN	372	22,041	7.29	2,712	0.3	398	14.7	(56)	2,656	15.0
26		16,000 LUMEN (5)	12	711	11.08	133	0.0	20	15.0	(2)	131	15.3
27		22,000 LUMEN	5,472	432,288	9.48	51,875	4.9	7,606	14.7	(1,092)	50,783	15.0
28		22,000 LUMEN (4)	48	3,792	13.23	635	0.1	94	14.8	(10)	625	15.0
29		22,000 LUMEN (5)	252	19,908	13.27	3,344	0.3	494	14.8	(50)	3,294	15.0
30		22,000 LUMEN (6)	72	5,688	14.03	1,010	0.1	149	14.8	(14)	996	15.0
31		22,000 LUMEN (8)	12	948	15.48	186	0.0	27	14.5	(2)	184	14.7
32		27,500 LUMEN	72	5,688	9.48	683	0.1	100	14.6	(14)	669	14.9
33		50,000 LUMEN	10,164	1,659,273	12.64	128,473	12.2	18,702	14.6	(4,190)	124,283	15.0
34		50,000 LUMEN (4)	12	1,959	16.39	197	0.0	28	14.2	(5)	192	14.6
35		50,000 LUMEN (5)	312	50,934	16.43	5,126	0.5	752	14.7	(129)	4,997	15.0
36		50,000 LUMEN (6)	444	72,483	17.19	7,632	0.7	1,119	14.7	(183)	7,449	15.0
37		DECORATIVE SODIUM VAPOR:										
38		9,500 LUMEN (15)	0	0	8.37	0	0.0	0	0.0	0	0	0.0
39		22,000 LUMEN (15)	12	1,023	10.30	124	0.0	18	14.5	(3)	121	14.9
40		50,000 LUMEN (15)	132	21,549	13.55	1,789	0.2	260	14.5	(54)	1,735	15.0
41		50,000 LUMEN (15)(5)	180	29,385	17.34	3,121	0.3	457	14.6	(74)	3,047	15.0
42		50,000 LUMEN (15)(6)	12	1,959	18.10	217	0.0	32	14.7	(5)	212	15.1
43		50,000 LUMEN (14)	216	35,262	20.28	4,380	0.3	644	14.7	(89)	4,291	15.0
44		50,000 LUMEN (14)(6)	36	5,877	24.83	894	0.1	132	14.8	(15)	879	15.0
45		TOTAL OVERHEAD	116,761	9,304,472		861,284	81.5	125,928	14.6	(23,494)	637,790	15.0

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH

(3) WITH 17' WOOD LAMINATED POLE.

(4) WITH 30' WOOD POLE.

(5) WITH 35' WOOD POLE.

(6) WITH 40' WOOD POLE.

(7) WITH 12' ALUM POLE.

(8) WITH 28' ALUM POLE.

(8A) WITH 28' ALUM POLE HEAVY GAUGE.

(9) WITH 30' ALUM POLE.

(10) WITH 17' FIBERGLASS POLE.

(11) WITH 12' FIBERGLASS POLE.

(12) WITH 30' FIBERGLASS POLE.

(13) WITH 35' FIBERGLASS POLE.

(14) FIXTURE TYPE - SETBACK.

(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KEN
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 15 OF 21
WITNESS RESPONSIBLE:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	MOST CURRENT RATES(A)	CURRENT REVENUE LESS FUEL COST (K)	% OF REV TO FUEL COST (L)	REVENUE INCR LESS FUEL COST (F-K)	% INCR IN REV LESS FUEL COST (N)	FUEL COST REV (H)	CURRENT TOTAL REVENUE (K+H)	TOTAL REVENUE INCR (M+I)	% INCREASE (I/K)
(A)	(B)	(C)	(E)	(KWH)	(J)	(M)	(L)	(M)	(N)	(H)	(I)	(M)	(O)
46 SL STREET LIGHTING - CO OWNED & MAINTAINED (CONTD.)													
47 UNDERGROUND DISTRIBUTION:													
48 MERCURY VAPOR:													
49	7,000 LUMEN		60	4,370	6.14	368	0.0	0.0	54	14.7	357	(11)	15.1
50	7,000 LUMEN (4)		336	24,472	8.89	3,323	0.3	487	14.7	14.9	3,261	(62)	14.9
51	7,000 LUMEN (5)		12	874	9.93	119	0.0	0	18	15.1	117	(2)	15.4
52	7,000 LUMEN (8)		360	26,220	12.14	4,370	0.3	645	14.8	15.0	4,304	(66)	15.0
53	10,000 LUMEN		0	0	7.04	0	0.0	0	0	0.0	0	0	0.0
54	10,000 LUMEN (4)		84	8,505	10.79	806	0.1	134	14.8	15.1	885	(21)	15.1
55	10,000 LUMEN (8)		156	15,795	13.04	2,034	0.2	301	14.8	15.1	1,994	(40)	15.1
56	21,000 LUMEN		96	15,312	9.45	907	0.1	131	14.4	15.1	868	(39)	15.1
57	21,000 LUMEN (8)		132	21,054	15.45	2,039	0.2	299	14.7	15.1	1,988	(53)	15.1
58 METAL HALIDE:													
59	14,000 LUMEN		0	0	6.14	0	0.0	0	0	0.0	0	0	0.0
60	20,500 LUMEN		0	0	7.04	0	0.0	0	0	0.0	0	0	0.0
61	35,000 LUMEN		0	0	9.45	0	0.0	0	0	0.0	0	0	0.0
62 SODIUM VAPOR:													
63	9,500 LUMEN (8)		468	18,993	12.72	5,953	0.6	889	14.9	15.1	5,905	(48)	15.1
64	9,500 LUMEN (OPEN)		0	0	5.02	0	0.0	0	0	0.0	0	0	0.0
65	16,000 LUMEN		0	0	7.29	0	0.0	0	0	0.0	0	0	0.0
66	22,000 LUMEN		228	18,012	9.48	2,161	0.2	317	14.7	15.0	2,116	(45)	15.0
67	22,000 LUMEN (5)		60	4,740	7.96	13.27	0.1	118	14.8	15.1	784	(12)	15.1
68	22,000 LUMEN (8)		528	41,712	15.48	8,173	0.8	1,210	14.8	15.0	8,068	(105)	15.0
69	22,000 LUMEN (8A)		48	3,792	19.32	927	0.1	138	14.9	15.0	917	(10)	15.0
70	50,000 LUMEN		338	54,852	12.64	4,247	0.4	618	14.6	15.0	4,108	(139)	15.0
71	50,000 LUMEN (8)		72	11,754	16.64	1,342	0.1	197	14.7	15.0	1,312	(30)	15.0
72	50,000 LUMEN (9)		132	21,549	24.62	3,250	0.3	479	14.7	15.0	3,198	(54)	15.0
73 DECORATIVE MERCURY VAPOR:													
74	7,000 LUMEN TOWN & COUNTRY		0	0	6.34	0	0.0	0	0	0.0	0	0	0.0
75	7,000 LUMEN TOWN & COUNTRY (3)		216	15,354	10.14	2,190	0.2	324	14.8	15.1	2,151	(39)	15.1
76	7,000 LUMEN TOWN & COUNTRY (10)		4,788	340,347	10.14	48,550	4.6	7,182	14.8	15.1	47,699	(859)	15.1
77	7,000 LUMEN HOLOPHANE		24	1,748	8.00	192	0.0	28	14.6	14.9	188	(4)	14.9
78	7,000 LUMEN HOLOPHANE (10)		1,668	121,488	11.80	19,682	1.9	2,903	14.7	15.0	19,375	(307)	15.0
79	7,000 LUMEN GAS REPLICA		0	0	18.43	0	0.0	0	0.0	0.0	0	0	0.0
80	7,000 LUMEN GRANVILLE (7)		96	6,824	16.75	1,608	0.2	239	14.9	15.0	1,591	(17)	15.0
81	7,000 LUMEN GRANVILLE (7)		24	1,748	11.64	278	0.0	41	14.7	14.9	275	(4)	14.9
82 DECORATIVE METAL HALIDE:													
83	14,000 LUMEN TRADITIONAIRE (10)		108	7,677	10.14	1,095	0.1	162	14.8	15.1	1,076	(19)	15.1
84	14,000 LUMEN GAS REPLICA(7)		204	14,958	26.84	5,883	0.6	876	14.9	15.0	5,845	(38)	15.0
85	14,000 LUMEN GRANVILLE		0	0	11.64	0	0.0	0	0.0	0.0	0	0	0.0
86 DECORATIVE SODIUM VAPOR:													
87	9,500 LUMEN TOWN & COUNTRY		96	3,898	9.36	899	0.1	134	14.9	15.1	889	(10)	15.1
88	9,500 LUMEN TOWN & COUNTRY (10)		1,574	63,878	13.16	20,714	2.0	3,101	15.0	15.1	20,553	(161)	15.1
89	9,500 LUMEN HOLOPHANE		576	25,536	10.15	5,846	0.8	864	14.8	14.9	5,782	(64)	14.9
90	9,500 LUMEN HOLOPHANE (10)		312	13,832	13.95	4,352	0.4	646	14.8	15.0	4,317	(35)	15.0
91	9,500 LUMEN GAS REPLICA		0	0	19.15	0	0.0	0	0.0	0.0	0	0	0.0
92	9,500 LUMEN GRANVILLE (7)		132	5,852	22.17	2,928	0.3	436	14.9	15.0	2,911	(15)	15.0
93	9,500 LUMEN ASPEN (7)		696	30,856	22.17	15,430	1.5	2,297	14.9	15.1	15,352	(78)	15.1
94	9,500 LUMEN TRADITIONAIRE (10)		188	10,227	13.16	3,316	0.2	497	15.0	15.1	3,280	(28)	15.1
95	22,000 LUMEN (19)(12)		168	14,322	17.59	2,955	0.2	437	14.8	15.0	2,919	(36)	15.0
96	50,000 LUMEN (19)(12)		96	5,877	20.84	750	0.1	110	14.7	15.0	735	(15)	15.0
97	50,000 LUMEN (19)(13)		204	33,303	21.04	4,292	0.4	631	14.7	15.0	4,207	(65)	15.0
98	50,000 LUMEN (14)		0	0	20.28	0	0.0	0	0.0	0.0	0	0	0.0
99	TOTAL UNDERGROUND		14,282	1,009,627		181,874	17.3	26,943	14.8	(2,549)	179,325		15.0
100 ADD'L FACILITIES CHARGE:													
101	OVERHEAD		1,599		0.45	720	0.1	111	15.4		720		15.4
102	UNDERGROUND		19,074		0.65	12,398	1.1	1,908	15.4		12,398		15.4
103	TOTAL ADD'L FACILITIES CHG		20,673			15,118	1.2	2,019	15.4		13,118		15.4
104	TOTAL RATE SL		131,043	10,314,089		1,058,276	100.0	154,890	14.7	(25,043)	1,030,233		15.0

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATE OF \$0.01961 PER KWH.
(2) REFLECTS FUEL COST ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH
(3) WITH 17' WOOD LAMINATED POLE.
(4) WITH 30' WOOD POLE.
(5) WITH 35' WOOD POLE.
(6) WITH 40' WOOD POLE.
(7) WITH 12' ALUM POLE.
(8) WITH 28' ALUM POLE.
(8A) WITH 28' ALUM POLE HEAVY GAUGE.
(9) WITH 30' ALUM POLE.
(10) WITH 17' FIBERGLASS POLE.
(11) WITH 12' FIBERGLASS POLE.
(12) WITH 30' FIBERGLASS POLE.
(13) WITH 35' FIBERGLASS POLE.
(14) FIXTURE TYPE - SETBACK.
(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
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10 Year Normalized with Adjustments

SCHEDULE M-2.2
PAGE 16 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	MOST CURRENT RATES (J)	CURRENT REVENUE LESS FUEL COST REVENUE (K)	% OF REV TO TOTAL LESS FUEL COST REVENUE (L)	REVENUE INCR LESS FUEL COST REV (F - K) (M)	% INCR IN REV LESS (M / K) (N)	FUEL COST REVENUE (2) (H)	CURRENT TOTAL REVENUE (K + H) (K1)	TOTAL REVENUE % INCREASE (M / K1) (O)
	(A)	(B)	(C)	(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	TL	TRAFFIC LIGHTING SERVICE										
2												
3	(A)	WHERE COMPANY SUPPLIES ENERGY ONLY (3):										
5	ALL CONSUMPTION		23,628	780,248	0.030900	24,110	9.9	3,352	13.9	(1,970)	22,140	15.1
6	(B)	WHERE COMPANY SUPPLIES ENERGY FROM A SEPARATELY METERED SOURCE AND PROVIDES LIMITED MAINTENANCE:										
7												
8												
9												
10												
11	ALL CONSUMPTION			0	0.018000	0	0.0	0	0.0	0	0	0.0
12	(B)	WHERE COMPANY SUPPLIES ENERGY AND PROVIDES LIMITED MAINTENANCE (3):										
13												
14												
15												
16	ALL CONSUMPTION		64,992	4,494,440	0.048900	219,778	90.1	31,425	14.3	(11,349)	208,429	15.1
17	TOTAL RATE TL		88,620	5,274,688		243,888	100.0	34,777	14.3	(13,319)	230,569	15.1

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2008-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2008
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.2
PAGE 17 OF 21
WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST	% INCR IN REV LESS FUEL COST	FUEL COST	CURRENT TOTAL REVENUE	TOTAL REVENUE
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KWH)	(\$/KWH)/ (\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		UOLS UNMETERED OUTDOOR LIGHTING SERV										
2		BASE RATE	121	14,862	0.030400	452	100.0	63	13.9	(38)	414	15.2
3		TOTAL RATE UOLS	121	14,862		452	100.0	63	13.9	(38)	414	15.2
4		OL OUTDOOR LIGHTING SERV										
5		(A) PRIVATE OUTDOOR LIGHTING UNITS:										
6		MERCURY VAPOR:										
7		7,000 LUMEN (OPEN)	9,115	647,928	7.34	68,904	12.5	9,844	14.7	(1,638)	65,268	15.1
8		7,000 LUMEN	1,524	110,998	9.43	14,371	2.7	2,103	14.8	(280)	14,091	14.9
9		10,000 LUMEN	1,788	181,035	10.97	18,814	3.7	2,879	14.7	(457)	19,157	15.0
10		21,000 LUMEN	2,712	432,584	14.04	38,076	7.1	5,560	14.6	(1,092)	36,984	15.0
11		SODIUM VAPOR (OH)										
12		9,500 LUMEN (OPEN)	6,652	399,827	6.48	63,841	12.0	9,556	15.0	(1,010)	62,831	15.2
13		9,500 LUMEN	2,292	93,017	8.47	19,413	3.6	2,888	14.9	(235)	19,178	15.1
14		16,000 LUMEN	240	14,220	9.53	2,287	0.4	339	14.8	(38)	2,251	15.1
15		22,000 LUMEN	1,824	144,096	10.52	19,188	3.8	2,828	14.7	(384)	18,824	15.0
16		27,500 LUMEN	48	3,792	10.52	505	0.1	74	14.7	(10)	495	14.9
17		50,000 LUMEN	2,772	452,529	12.15	33,680	6.3	4,879	14.5	(1,143)	32,537	15.0
18		METAL HALIDE										
19		14,000 LUMEN	60	6,370	9.43	589	0.1	83	14.7	(16)	550	15.1
20		20,500 LUMEN	96	11,720	10.97	1,053	0.2	155	14.7	(30)	1,023	15.2
21		36,000 LUMEN	324	53,678	14.04	4,549	0.9	684	14.8	(136)	4,413	15.0
22		DECORATIVE MV 7,000 LUMEN:										
23		TOWN & COUNTRY	744	52,886	11.32	8,422	1.6	1,243	14.8	(134)	8,288	15.0
24		HOLOPHANE	218	15,732	14.61	3,158	0.6	468	14.8	(40)	3,118	15.0
25		GAS REPLICA	0	0	35.47	0	0.0	0	0.0	0	0	0.0
26		ASPEN	96	6,992	21.89	2,101	0.4	312	14.9	(18)	2,083	15.0
27		DECORATIVE SV 9,500 LUMEN:										
28		TOWN & COUNTRY	1,380	56,005	17.95	24,771	4.6	3,698	14.9	(141)	24,630	15.0
29		HOLOPHANE	12	532	19.45	233	0.0	35	15.0	(1)	232	15.1
30		RECTILINEAR	0	0	15.97	0	0.0	0	0.0	0	0	0.0
31		GAS REPLICA	0	0	37.45	0	0.0	0	0.0	0	0	0.0
32		ASPEN	0	0	22.67	0	0.0	0	0.0	0	0	0.0
33		22,000 LUMEN (RECTILINEAR)	0	0	18.97	0	0.0	0	0.0	0	0	0.0
34		50,000 LUMEN (RECTILINEAR)	0	0	23.98	0	0.0	0	0.0	0	0	0.0
35		50,000 LUMEN (SETBACK)	72	11,754	37.44	2,696	0.5	399	14.8	(28)	2,668	15.0
36		TOTAL POL UNITS	35,167	2,695,675		325,426	61.0	48,005	14.8	(8,807)	318,819	15.1
37		(B) FLOODLIGHTING UNITS:										
38		METAL HALIDE:										
39		20,500 LUMEN	144	14,580	10.97	1,580	0.3	232	14.7	(37)	1,543	15.0
40		36,000 LUMEN	288	45,938	14.05	4,046	0.8	591	14.6	(110)	3,930	15.0
41		MERCURY VAPOR:										
42		21,000 LUMEN	1,200	191,400	14.05	16,860	3.2	2,460	14.6	(483)	16,377	15.0
43		SODIUM VAPOR:										
44		22,000 LUMEN	2,316	197,439	10.44	24,179	4.5	3,544	14.7	(499)	23,680	15.0
45		30,000 LUMEN	240	20,460	10.44	2,506	0.5	367	14.6	(52)	2,454	15.0
46		50,000 LUMEN	12,348	2,054,913	12.84	158,548	29.7	23,091	14.6	(5,188)	153,360	15.1
47		TOTAL FL UNITS	16,536	2,524,728		207,719	39.0	30,285	14.6	(6,375)	201,344	15.0
48		TOTAL RATE OL	51,703	5,220,403		533,145	100.0	78,290	14.7	(13,182)	519,983	15.1

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.018091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
	(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1		NSU NON STANDARD STREET LIGHT UNITS										
2		(A) COMPANY OWNED										
3		(1) BOULEVARD INCANDESCENT(UG):										
4	2,500	LUMEN SERIES	0	0	7.80	0	0.0	0	0.0	0	0	0.0
5	2,500	LUMEN MULTIPLE	144	9,432	6.00	864	1.7	127	14.7	(24)	840	15.1
6		(2) HOLOPHANE DECORATIVE:										
7		10,000 LUMEN MV W										
8	17'	FIBERGLASS POLE	372	37,665	14.17	5,271	10.5	778	14.8	(95)	5,176	15.0
9		(3) STREET LGT UNITS (OH)										
10	2,500	LUMEN INCANDESCENT	840	55,020	5.95	4,998	9.9	731	14.6	(139)	4,859	15.0
11	2,500	LUMEN MERCURY VAPOR	6,206	234,267	5.67	35,188	70.0	5,213	14.8	(592)	34,596	15.1
12	21,000	LUMEN MERCURY VAPOR	408	65,076	8.84	3,607	7.2	518	14.4	(164)	3,443	15.0
13		TOTAL COMPANY OWNED	<u>7,970</u>	<u>401,460</u>		<u>49,928</u>	<u>99.3</u>	<u>7,367</u>	<u>14.8</u>	<u>(1,014)</u>	<u>48,914</u>	<u>15.1</u>
14		(B) CUSTOMER OWNED WITH LTD MAINT										
15		(1) BOULEVARD INCANDESCENT(UG):										
16	2,500	LUMEN SERIES	0	0	4.56	0	0.0	0	0.0	0	0	0.0
17	2,500	LUMEN MULTIPLE	60	3,930	5.80	348	0.7	51	14.7	(10)	338	15.1
18		TOTAL CUSTOMER OWNED	<u>60</u>	<u>3,930</u>		<u>348</u>	<u>0.7</u>	<u>51</u>	<u>14.7</u>	<u>(10)</u>	<u>338</u>	<u>15.1</u>
19		TOTAL RATE NSU	<u>8,030</u>	<u>405,390</u>		<u>50,276</u>	<u>100.0</u>	<u>7,418</u>	<u>14.8</u>	<u>(1,024)</u>	<u>49,252</u>	<u>15.1</u>

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT	CURRENT REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	REVENUE INCR LESS FUEL COST REV	% INCR IN REV LESS FUEL COST REV	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE	TOTAL REVENUE
					RATES(3)	REVENUE	REVENUE	(F - K)	(M / K)	(H)	(K + H)	(M / K1)
(A)	(B)	(C)	(D)	(KWH)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)
					(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	NSP NON STD PRIVATE OUTDOOR LIGHTING											
2	POL (A) PRIVATE OUTDOOR LIGHT UNITS:											
3	2,500 LUMEN MERCURY (OP	3,060	121,890	6.60	20,196	43.6	2,968	14.7	(308)	19,888	14.9	
4	2,500 LUMEN MERCURY (EN	252	10,038	9.05	2,281	4.9	337	14.8	(25)	2,256	14.9	
5	TOTAL RATE POL	3,312	131,928		22,477	48.5	3,305	14.7	(333)	22,144	14.9	
6	URD (B) OUTDOOR LIGHTING UNITS											
7	-- SERVED UG RES DIST AREAS:											
8	MERCURY VAPOR											
9	7,000 LUMEN, WITH											
10	17' FIBERGLASS POLE	216	15,347	12.31	2,659	5.7	393	14.8	(39)	2,620	15.0	
11	7,000 LUMEN, WITH											
12	17' WOOD LAM POLE	228	16,207	12.31	2,807	6.1	415	14.8	(41)	2,766	15.0	
13	7,000 LUMEN, WITH											
14	30' WOOD POLE	191	13,577	11.37	2,172	4.7	321	14.8	(34)	2,138	15.0	
15	SODIUM VAPOR											
16	9,500 LUMEN TC 100 R	791	32,101	9.50	7,515	16.2	1,123	14.9	(81)	7,434	15.1	
17	TOTAL RATE URD	1,426	77,232		15,153	32.7	2,252	14.9	(195)	14,958	15.1	
18	FL FLOOD LIGHT											
19	MERCURY VAPOR											
20	52,000 LUMEN, WITH											
21	35' WOOD POLE	12	4,584	23.76	285	0.6	41	14.4	(12)	273	15.0	
22	52,000 LUMEN, WITH											
23	50' WOOD POLE	0	0	26.84	0	0.0	0	0.0	0	0	0.0	
24	SODIUM VAPOR											
25	50,000 LUMEN	505	82,442	16.65	8,408	18.2	1,232	14.7	(208)	8,200	15.0	
26	TOTAL RATE FL	517	87,026		8,693	18.8	1,273	14.6	(220)	8,473		
27	TOTAL RATE NSP	5,255	296,186		46,323	100.0	6,830	14.7	(748)	45,575	15.0	

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(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.2
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
(A)	(B)	(C)	(D)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	SC	STREET LIGHTING -										
2		CUST OWNED/LTD MAINT										
3		STANDARD UNIT-COBRAHEAD										
4		MERCURY VAPOR --										
5		7,000 LUMEN	0	0	3.53	0	0.0	0	0.0	0	0	0.0
6		10,000 LUMEN	0	0	4.48	0	0.0	0	0.0	0	0	0.0
7		21,000 LUMEN	0	0	6.2	0	0.0	0	0.0	0	0	0.0
8		METAL HALIDE --										
9		14,000 LUMEN	0	0	3.53	0	0.0	0	0.0	0	0	0.0
10		20,500 LUMEN	0	0	4.48	0	0.0	0	0.0	0	0	0.0
11		36,000 LUMEN	0	0	6.2	0	0.0	0	0.0	0	0	0.0
12		SODIUM VAPOR--										
13		9,500 LUMEN	12	487	4.23	51	1.6	7	13.7	(1)	50	14.0
14		16,000 LUMEN	0	0	4.79	0	0.0	0	0.0	0	0	0.0
15		22,000 LUMEN	0	0	5.23	0	0.0	0	0.0	0	0	0.0
16		27,500 LUMEN	0	0	5.23	0	0.0	0	0.0	0	0	0.0
17		50,000 LUMEN	0	0	7.01	0	0.0	0	0.0	0	0	0.0
18		DECORATIVE UNITS:										
19		7,000 LUMEN MERCURY VAPOR--										
20		HOLOPHANE	0	0	4.51	0	0.0	0	0.0	0	0	0.0
21		TOWN & COUNTRY	0	0	4.47	0	0.0	0	0.0	0	0	0.0
22		GAS REPLICA	0	0	4.51	0	0.0	0	0.0	0	0	0.0
23		ASPEN	0	0	4.51	0	0.0	0	0.0	0	0	0.0
24		14,000 LUMEN METAL HALIDE--										
25		TRADITIONAIRE	0	0	4.47	0	0.0	0	0.0	0	0	0.0
26		GAS REPLICA	0	0	4.51	0	0.0	0	0.0	0	0	0.0
27		GRANVILLE ACORN	0	0	4.51	0	0.0	0	0.0	0	0	0.0
28		9,500 LUMEN SODIUM VAPOR--										
29		TOWN & COUNTRY	0	0	4.24	0	0.0	0	0.0	0	0	0.0
30		RECTILINEAR	0	0	4.24	0	0.0	0	0.0	0	0	0.0
31		ASPEN	0	0	4.43	0	0.0	0	0.0	0	0	0.0
32		HOLOPHANE	0	0	4.43	0	0.0	0	0.0	0	0	0.0
33		GAS REPLICA	0	0	4.43	0	0.0	0	0.0	0	0	0.0
34		TRADITIONAIRE	0	0	4.24	0	0.0	0	0.0	0	0	0.0
35		GRANVILLE ACORN	0	0	4.43	0	0.0	0	0.0	0	0	0.0
36		SODIUM VAPOR --										
37		22,000 LUMEN (RECTILINEAR)	0	0	5.55	0	0.0	0	0.0	0	0	0.0
38		50,000 LUMEN (RECTILINEAR)	0	0	7.26	0	0.0	0	0.0	0	0	0.0
39		CUST OWNED/CUST MAINT										
40		ENERGY ONLY	2,196	102,675	0.030400	3,121	98.4	434	0.0	(259)	2,862	15.2
41		TOTAL RATE SC	2,208	103,162		3,172	100.0	441	13.9	(260)	2,912	15.1

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DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
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WORK PAPER REFERENCE NO(S):
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WITNESS:
JEFFREY R. BAILEY

CURRENT ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	MOST CURRENT RATES(3)	CURRENT REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	REVENUE INCR LESS FUEL COST REV (F - K)	% INCR IN REV LESS FUEL COST REV (M / K)	FUEL COST REVENUE (2)	CURRENT TOTAL REVENUE (K + H)	TOTAL REVENUE % INCREASE (M / K1)
(A)	(B)	(C)	(D)	(J)	(K)	(L)	(M)	(N)	(H)	(K1)	(O)	
			(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	SE	STREET LIGHTING -										
2		OVERHEAD EQUIVALENT RATE										
3		MERCURY VAPOR 7,000 LUMEN:										
4		TOWN & COUNTRY	6,449	458,388	6.11	39,403	29.0	5,740	14.6	(1,158)	38,245	15.0
5		HOLOPHANE	2,102	153,096	6.14	12,906	9.5	1,871	14.5	(387)	12,519	14.9
6		GAS REPLICA	696	50,692	6.14	4,273	3.1	620	14.5	(128)	4,145	15.0
7		ASPEN	132	9,614	6.14	810	0.6	118	14.6	(24)	786	15.0
8		SODIUM VAPOR 9,500 LUMEN:										
9		TOWN & COUNTRY	2,270	92,124	6.72	15,254	11.2	2,270	14.9	(233)	15,021	15.1
10		TRADITIONAIRE	0	0	6.72	0	0.0	0	0.0	0	0	0.0
11		HOLOPHANE	2,364	104,804	6.80	16,075	11.8	2,364	14.7	(265)	15,810	15.0
12		RECTILINEAR	972	39,447	6.72	6,532	4.8	972	14.9	(100)	6,432	15.1
13		GAS REPLICA	1,212	53,732	6.80	8,242	6.1	1,212	14.7	(136)	8,106	15.0
14		GRANVILLE ACORN	84	3,724	6.80	571	0.4	84	14.7	(9)	562	14.9
15		ASPEN	2,616	115,976	6.80	17,789	13.1	2,616	14.7	(293)	17,496	15.0
16		SODIUM VAPOR:										
17		22,000 LUMEN (RECTILINEAR)	504	42,966	9.60	4,838	3.6	706	14.6	(108)	4,730	14.9
18		50,000 LUMEN (RECTILINEAR)	24	3,918	12.64	303	0.3	45	14.9	(10)	293	15.4
19		50,000 LUMEN (SETBACK)	0	0	12.64	0	0.0	0	0.0	0	0	0.0
20		METAL HALIDE:										
21		14,000 TOWN & COUNTRY	1,344	95,536	6.11	8,212	6.0	1,196	14.6	(241)	7,971	15.0
22		14,000 GRANVILLE ACORN	0	0	6.14	0	0.0	0	0.0	0	0	0.0
23		14,000 GAS REPLICA	120	8,740	6.14	737	0.5	107	14.5	(21)	716	14.9
24		TOTAL RATE SE	20,889	1,232,757		135,945	100.0	19,921	14.7	(3,113)	132,832	15.0

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(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL SERV	1,431,721	1,473,142,411	8.62	126,923,610	100.00	0	126,923,610
2		TOTAL RESIDENTIAL	1,431,721	1,473,142,411	8.62	126,923,610	40.64	0	126,923,610
3	DS	DISTRIBUTION SERV	144,676	1,030,513,961	7.96	82,013,801	51.56	0	82,013,801
4	DT-PRI	TIME OF DAY	415	429,715,698	5.82	24,999,176	15.72	0	24,999,176
5	DT-SEC	TIME OF DAY	2,188	720,100,341	6.70	48,225,135	30.32	0	48,225,135
6	EH	ELEC SPACE HEATING	863	13,405,068	6.81	912,260	0.57	0	912,260
7	SP	SPORTS SERV	315	373,648	10.01	37,393	47.55	0	37,393
8	GSFL	SMALL FIXED LOADS	10,358	6,182,751	8.17	505,210	0.32	0	505,210
9	DP	PRIMARY VOLTAGE	152	35,131,112	6.78	2,382,134	1.50	0	2,382,134
10		TOTAL DISTRIBUTION	158,967	2,235,422,579	7.12	159,075,109	50.93	0	159,075,109
11	TT	TIME OF DAY	144	175,012,980	5.55	9,706,504	100.00	0	9,706,504
12		TOTAL TRANSMISSION	144	175,012,980	5.55	9,706,504	3.11	0	9,706,504
13	DT-RTP PRI	REAL TIME PRICING	13	24,483,131	5.69	1,391,944	51.16	(405,588)	986,356
14	DT-RTP SEC	REAL TIME PRICING	64	8,471,145	6.14	520,430	19.13	(140,333)	380,097
15	DS-RTP	REAL TIME PRICING	90	1,160,783	9.64	111,907	4.11	(19,230)	92,677
16	TT-RTP	REAL TIME PRICING	31	13,326,414	5.22	696,274	25.59	(220,765)	475,509
17		TOTAL REAL TIME PRICING	198	47,441,473	5.73	2,720,555	0.87	(785,916)	1,934,639
18	SL	STREET LIGHTING	131,043	10,314,099	11.74	1,211,166	51.06	0	1,211,166
19	TL	TRAFFIC LIGHTING	88,620	5,274,688	5.28	278,665	11.75	0	278,665
20	UOLS	UNMTRD OUTDR LIGHT	121	14,862	3.47	515	0.02	0	515
21	OL	OUTDOOR LIGHT SERV	51,703	5,220,403	11.71	611,435	25.78	0	611,435
22	NSU	NON STD STREET LIGHT	8,030	405,390	14.23	57,694	2.43	0	57,694
23	NSP	NON STD POL'S	5,255	296,186	17.95	53,153	2.24	0	53,153
24	SC	S L - CUST OWNED	2,208	103,162	3.50	3,613	0.15	0	3,613
25	SE	S L - OVR HD EQUIV	20,889	1,232,757	12.64	155,866	6.57	0	155,866
26		TOTAL LIGHTING	307,869	22,861,547	10.38	2,372,107	0.76	0	2,372,107
27	ID01	INTERDEPARTMENTAL	12	2,965,702	8.33	247,043	2.14	0	247,043
28	IS	INTERRUPTIBLE DEMAND CR	0	0	-	(58,320)	(0.51)	0	(58,320)
29		BAD CHECK CHARGES	0	0	-	8,681	0.08	0	8,681
30		RECONNECTION CHGS	0	0	-	49,005	0.42	0	49,005
31		RENTS	0	0	-	7,411,563	64.27	0	7,411,563
32		INTERCOMPANY	0	0	-	119,144	1.03	0	119,144
33	WS	SPECIAL CONTRACTS	126	175,920	6.10	10,735	0.09	0	10,735
34		OTHER MISC	0	0	-	3,744,856	32.47	0	3,744,856
35		TOTAL MISC	138	3,141,622	367.09	11,532,707	3.69	0	11,532,707
36		TOTAL	1,899,037	3,957,022,612	7.89	312,330,592	100.00	(785,916)	311,544,676

(1) DETAIL CONTAINED ON SCHEDULES M-2.3 PAGES 2 THROUGH 21.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 2 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	RS	RESIDENTIAL							
2	SUMMER:								
3	CUSTOMER CHARGE:								
4	BILLS		477,236		\$5.00	2,386,180	1.9		2,386,180
5	ENERGY CHARGE (3):								
6	FIRST 1000 KWH			372,710,470	\$0.081299	30,300,989	23.9	0	30,300,989
7	ADDITIONAL KWH			192,224,913	\$0.081299	15,627,693	12.2	0	15,627,693
8	TOTAL			564,935,383		45,928,682	36.2	0	45,928,682
9	TOTAL SUMMER		477,236	564,935,383		48,314,862	38.1	0	48,314,862
10	WINTER:								
11	CUSTOMER CHARGE:								
12	BILLS		954,485		\$5.00	4,772,425	3.8		4,772,425
13	ENERGY CHARGE(3):								
14	FIRST 1000 KWH			658,159,469	\$0.081299	53,507,707	42.2	0	53,507,707
15	ADDITIONAL KWH			250,047,559	\$0.081299	20,328,616	16.0	0	20,328,616
16	TOTAL			908,207,028		73,836,323	58.2	0	73,836,323
17	TOTAL WINTER		954,485	908,207,028		78,608,748	61.9	0	78,608,748
18	TOTAL RATE RS		1,431,721	1,473,142,411		126,923,610	100.0	0	126,923,610

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 3 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES	PROPOSED RATES	PROPOSED REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	FUEL COST REVENUE (2)	PROPOSED TOTAL REVENUE (F + H)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
			(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(\$)	
1	DS	SERVICE AT SECONDARY DISTRIBUTION VOLTAGE							
2									
3	CUSTOMER CHARGE:								
4		LOAD MANAGEMENT RIDER	1,411		\$100.00	141,100	0.2		141,100
5		SINGLE PHASE	83,164		\$7.50	623,730	0.8		623,730
6		THREE PHASE	60,101		\$15.00	901,515	1.1		901,515
7		TOTAL CUSTOMER CHARGE	<u>144,676</u>			<u>1,666,345</u>	<u>2.0</u>		<u>1,666,345</u>
8	DEMAND CHARGE:								
9		FIRST 15 KW		1,385,629	\$0.00	0	0.0		0
10		ADDITIONAL KW		<u>2,324,221</u>	\$8.00	<u>18,593,768</u>	<u>22.7</u>		<u>18,593,768</u>
11		TOTAL DEMAND		<u>3,709,850</u>		<u>18,593,768</u>	<u>22.7</u>		<u>18,593,768</u>
12	ENERGY CHARGE (3):								
13		FIRST 6000 KWH		360,782,938	\$0.080731	29,126,367	35.5	0	29,126,367
14		NEXT 300KWH/KW		566,885,730	\$0.049510	28,066,512	34.2	0	28,066,512
15		ADDITIONAL KWH		100,475,111	\$0.040922	4,111,642	5.0	0	4,111,642
16		NON-CHURCH "CAP" RATE		1,236,617	\$0.235249	290,913	0.4	0	290,913
17		CHURCH CAP RATE		<u>1,133,565</u>	\$0.139607	<u>158,254</u>	<u>0.2</u>	<u>0</u>	<u>158,254</u>
18		TOTAL ENERGY		<u>1,030,513,961</u>		<u>61,753,688</u>	<u>75.3</u>	<u>0</u>	<u>61,753,688</u>
19		TOTAL RATE DS	<u>144,676</u>	<u>1,030,513,961</u>		<u>82,013,801</u>	<u>100.0</u>	<u>0</u>	<u>82,013,801</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY - KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 4 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(\$)
1	DT-PRI	TIME OF DAY PRIMARY							
2		SUMMER:							
3		CUSTOMER CHARGE:							
4		SINGLE PHASE	0		\$7.50	0	0.0		0
5		THREE PHASE	0		\$15.00	0	0.0		0
6		PRIMARY VOLTAGE	138		\$100.00	13,800	0.2		13,800
7		TOTAL CUSTOMER CHARGE	138			13,800	0.2		13,800
8		DEMAND CHARGE:							
9		ON PEAK KW		247,633	\$11.56	2,862,637	31.9		2,862,637
10		OFF PEAK KW		18,951	\$1.19	22,552	0.3		22,552
11		SUB-TOTAL		266,584		2,885,189	32.1		2,885,189
12		PRIMARY SERV. DIS.							
13		FIRST 1000 KW		102,015	(\$0.65)	(66,310)	-0.7		(66,310)
14		ADDITIONAL KW		145,648	(\$0.50)	(72,824)	-0.8		(72,824)
15		TOTAL DEMAND		247,663		2,746,055	30.6		2,746,055
16		ENERGY CHARGE (3):							
17		ALL KWH		148,217,112	\$0.041927	6,214,299	69.2	0	6,214,299
18		TOTAL SUMMER	138	148,217,112		8,974,154	100.0	0	8,974,154
19		WINTER:							
20		CUSTOMER CHARGE:							
21		SINGLE PHASE	0		\$7.50	0	0.0		0
22		THREE PHASE	0		\$15.00	0	0.0		0
23		PRIMARY VOLTAGE	277		\$100.00	27,700	0.2		27,700
24		TOTAL CUSTOMER CHARGE	277			27,700	0.2		27,700
25		DEMAND CHARGE:							
26		ON PEAK KW		433,071	\$10.15	4,395,671	27.4		4,395,671
27		OFF PEAK KW		37,903	\$1.19	45,105	0.4		45,105
28		SUB-TOTAL		470,974		4,440,776	27.8		4,440,776
29		PRIMARY SERV. DIS.							
30		FIRST 1000 KW		195,394	(\$0.65)	(127,006)	-0.8		(127,006)
31		ADDITIONAL KW		237,677	(\$0.50)	(118,839)	-0.7		(118,839)
32		TOTAL DEMAND		433,071		4,194,931	26.3		4,194,931
33		ENERGY CHARGE (3):							
34		ALL KWH		281,498,586	\$0.041927	11,802,391	73.6	0	11,802,391
35		TOTAL WINTER	277	281,498,586		16,025,022	100.0	0	16,025,022
36		TOTAL RATE DT PRIMARY	415	429,715,698		24,999,176	100.0	0	24,999,176

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 5 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH)/ (\$/KW)	(\$)	(%)	(\$)	(\$)
1		DT-SEC TIME OF DAY SECONDARY							
2		SUMMER:							
3		CUSTOMER CHARGE:							
4		SINGLE PHASE	0		\$7.50	0	0.0		0
5		THREE PHASE	729		\$15.00	10,935	0.1		10,935
6		PRIMARY VOLTAGE	0		\$100.00	0	0.0		0
7		TOTAL CUSTOMER CHARGE	729			10,935	0.1		10,935
8		DEMAND CHARGE:							
9		ON PEAK KW		586,889	\$11.56	6,784,437	38.6		6,784,437
10		OFF PEAK KW		8,347	\$1.19	9,933	0.1		9,933
11		SUB-TOTAL		595,236		6,794,370	38.7		6,794,370
12		PRIMARY SERV. DIS.							
13		FIRST 1000 KW		0	(\$0.65)	0	0.0		0
14		ADDITIONAL KW		0	(\$0.50)	0	0.0		0
15		TOTAL DEMAND		0		6,794,370	38.7		6,794,370
16		ENERGY CHARGE (3):							
17		ALL KWH		256,854,599	\$0.041927	10,769,143	61.3	0	10,769,143
18		TOTAL SUMMER	729	256,854,599		17,574,448	100.0	0	17,574,448
19		WINTER:							
20		CUSTOMER CHARGE:							
21		SINGLE PHASE	0		\$7.50	0	0.0		0
22		THREE PHASE	1,459		\$15.00	21,885	0.1		21,885
23		PRIMARY VOLTAGE	0		\$100.00	0	0.0		0
24		TOTAL CUSTOMER CHARGE	1,459			21,885	0.1		21,885
25		DEMAND CHARGE:							
26		ON PEAK KW		1,101,430	\$10.15	11,179,515	36.5		11,179,515
27		OFF PEAK KW		22,507	\$1.19	26,783	0.2		26,783
28		SUB-TOTAL		1,123,937		11,206,298	36.7		11,206,298
29		PRIMARY SERV. DIS.							
30		FIRST 1000 KW		0	(\$0.65)	0	0.0		0
31		ADDITIONAL KW		0	(\$0.50)	0	0.0		0
32		TOTAL DEMAND		0		11,206,298	36.7		11,206,298
33		ENERGY CHARGE (3):							
34		ALL KWH		463,245,742	\$0.041927	19,422,504	63.4	0	19,422,504
35		TOTAL WINTER	1,459	463,245,742		30,650,687	100.0	0	30,650,687
36		TOTAL RATE DT SECONDARY	2,188	720,100,341		48,225,135	100.0	0	48,225,135

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH) (\$/KW)	(\$)	(%)	(\$)	(\$)
1	EH	OPTIONAL RATE FOR							
2		ELEC. SPACE HEATING							
3		CUSTOMER CHARGE:							
4		SINGLE PHASE	240		\$7.50	1,800	0.2		1,800
5		THREE PHASE	623		\$15.00	9,345	1.0		9,345
6		PRIMARY VOLTAGE	0		\$100.00	0	0.0		0
7		TOTAL CUSTOMER CHARGE	863			11,145	1.2		11,145
8		DEMAND CHARGE:							
9		ALL KW		54,899	\$0.00	0	0.0		0
10		ENERGY CHARGE (3):							
11		ALL CONSUMPTION		13,405,068	\$0.067222	901,115	98.8	0	901,115
12		TOTAL RATE EH	863	13,405,068		912,260	100.0	0	912,260

- (1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.
- (2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
- (3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
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10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 7 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	SP	SPORTS SERVICE							
2		MINIMUM BILLS	0		(4)	0	0.0		0
3		CUSTOMER CHARGE	315		\$7.50	2,363	6.3		2,363
4		ENERGY CHARGE (3):							
5		ALL CONSUMPTION		373,648	\$0.093751	35,030	93.7	0	35,030
6		TOTAL RATE SP	315	373,648		37,393	100.0	0	37,393
7	GSFL	SMALL FIXED LOADS							
8		MINIMUM BILLS	377	0	\$2.69	1,014	0.2		1,014
9		BASE RATE (3):							
10		LOAD RANGE 540 TO 720 HRS	48	7,419	\$0.070656	524	0.1	0	524
11		LOAD RANGE LESS THAN 540 HR	9,933	6,175,332	\$0.081562	503,672	99.7	0	503,672
12		TOTAL RATE GSFL	10,358	6,182,751		505,210	100.0	0	505,210

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

(4) 1.5% OF INSTALLED TRANSFORMER AND METERING COSTS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 8 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KW/KWH)	(\$/KWH) (\$/KW)	(\$)	(%)	(\$)	(\$)
1	DP	SERVICE AT PRIMARY							
2		DISTRIBUTION VOLTAGE							
3		CUSTOMER CHARGE:							
4		LOAD MANAGEMENT RIDER	23		\$100.00	2,300	0.1		2,300
5		PRIMARY VOLTAGE	129		\$100.00	12,900	0.5		12,900
6		TOTAL CUSTOMER CHARGE	<u>152</u>			<u>15,200</u>	<u>0.6</u>		<u>15,200</u>
7		DEMAND CHARGE:							
8		ALL KW		85,310	\$7.50	639,825	26.9		639,825
9		TOTAL DEMAND		<u>85,310</u>		<u>639,825</u>	<u>26.9</u>		<u>639,825</u>
10		ENERGY CHARGE (3):							
11		FIRST 300KWH/KW		24,307,303	\$0.051707	1,256,858	52.8	0	1,256,858
12		ADDITIONAL KWH		10,823,809	\$0.043446	470,251	19.7	0	470,251
13		TOTAL ENERGY		<u>35,131,112</u>		<u>1,727,109</u>	<u>72.5</u>	<u>0</u>	<u>1,727,109</u>
14		TOTAL RATE DP		<u>152</u>		<u>2,382,134</u>	<u>100.0</u>	<u>0</u>	<u>2,382,134</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
						(\$)	(%)	(\$)	(\$)
1	TT	TIME OF DAY							
2		SUMMER:							
3		CUSTOMER CHARGE	48		\$500.00	24,000	0.8		24,000
4		DEMAND CHARGE:							
5		ON PEAK KW		130,171	\$7.29	948,947	32.8		948,947
6		OFF PEAK KW		9,264	\$1.11	10,283	0.4		10,283
7		TOTAL DEMAND		139,435		959,230	33.2		959,230
8		ENERGY CHARGE (3):							
9		ALL KWH		49,317,699	\$0.038697	1,908,447	66.0	0	1,908,447
10		TOTAL SUMMER	48	49,317,699		2,891,677	100.0	0	2,891,677
11		WINTER:							
12		CUSTOMER CHARGE	96		\$500.00	48,000	0.7		48,000
13		DEMAND CHARGE:							
14		ON PEAK KW		315,737	\$5.98	1,888,107	27.7		1,888,107
15		OFF PEAK KW		13,234	\$1.11	14,690	0.2		14,690
16		TOTAL DEMAND		328,971		1,902,797	27.9		1,902,797
17		ENERGY CHARGE (3):							
18		ALL KWH		125,695,281	\$0.038697	4,864,030	71.4	0	4,864,030
19		TOTAL WINTER	96	125,695,281		6,814,827	100.0	0	6,814,827
20		TOTAL RATE TT	144	175,012,980		9,706,504	100.0	0	9,706,504

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S).:
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DT RTP	TIME OF DAY SERVICE AT PRIMARY							
2		DISTRIBUTION VOLTAGE							
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		13		\$183.00	2,379	0.2		2,379
5	TOTAL CUSTOMER CHARGE		<u>13</u>			<u>2,379</u>	<u>0.2</u>		<u>2,379</u>
6	ENERGY CHARGE:								
7	ALL KWH			24,483,131	\$0.005559	136,102	9.8		136,102
8	ANCILLARY SERVICES			24,483,131	\$0.000740	18,118	1.3		18,118
9	COMMODITY CHARGES			<u>24,483,131</u>	<u>\$0.050457</u>	<u>1,235,345</u>	<u>88.7</u>	<u>(405,588)</u>	<u>829,757</u>
10	TOTAL ENERGY			<u>24,483,131</u>		<u>1,389,565</u>	<u>99.8</u>	<u>(405,588)</u>	<u>983,977</u>
11	TOTAL RATE DT RTP PRIMARY		<u>13</u>	<u>24,483,131</u>		<u>1,391,944</u>	<u>100.0</u>	<u>(405,588)</u>	<u>986,356</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERG. . . KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	DT RTP	TIME OF DAY SERVICE AT SECONDARY DISTRIBUTION VOLTAGE							
2									
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		64		\$183.00	11,712	2.3		11,712
5	TOTAL CUSTOMER CHARGE		<u>64</u>			<u>11,712</u>	<u>2.3</u>		<u>11,712</u>
6	ENERGY CHARGE:								
7	ALL KWH			8,471,145	\$0.006074	51,454	9.9		51,454
8	ANCILLARY SERVICES			8,471,145	\$0.000760	6,438	1.2		6,438
9	COMMODITY CHARGES			8,471,145	\$0.053219	450,826	86.6	(140,333)	310,493
10	TOTAL ENERGY			<u>8,471,145</u>		<u>508,718</u>	<u>97.7</u>	<u>(140,333)</u>	<u>368,385</u>
11	TOTAL RATE DT RTP SECONDARY		<u>64</u>	<u>8,471,145</u>		<u>520,430</u>	<u>100.0</u>	<u>(140,333)</u>	<u>380,097</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S).:
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST	% OF REV TO TOTAL LESS FUEL COST	FUEL COST REVENUE	PROPOSED TOTAL REVENUE (F + H)
						(F)	(G)	(H)	(I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1		DS RTP SERVICE AT SECONDARY DISTRIBUTION VOLTAGE							
2									
3		CUSTOMER CHARGE:							
4		BILLS (Real-Time Pricing)	90		\$183.00	16,470	14.7		16,470
5		TOTAL CUSTOMER CHARGE	90			16,470	14.7		16,470
6		ENERGY CHARGE:							
7		ALL KWH		1,160,783	\$0.006074	7,051	6.3		7,051
8		ANCILLARY SERVICES		1,160,783	\$0.000760	882	0.8		882
9		COMMODITY CHARGES		1,160,783	\$0.075384	87,504	78.2	(19,230)	68,274
10		TOTAL ENERGY		1,160,783		95,437	85.3	(19,230)	76,207
11		TOTAL RATE DS RTP	90	1,160,783		111,907	100.0	(19,230)	92,677

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	TT RTP	TIME OF DAY SERVICE AT							
2		TRANSMISSION VOLTAGE							
3	CUSTOMER CHARGE:								
4	BILLS (Real-Time Pricing)		31		\$183.00	5,673	0.8		5,673
5	TOTAL CUSTOMER CHARGE		<u>31</u>			<u>5,673</u>	<u>0.8</u>		<u>5,673</u>
6	ENERGY CHARGE:								
7	ALL KWH			13,326,414	\$0.002015	26,853	3.9		26,853
8	ANCILLARY SERVICES			13,326,414	\$0.000721	9,608	1.4		9,608
9	COMMODITY CHARGES			13,326,414	\$0.049086	654,140	93.9	(220,765)	433,375
10	TOTAL ENERGY			<u>13,326,414</u>		<u>690,601</u>	<u>99.2</u>	<u>(220,765)</u>	<u>469,836</u>
11	TOTAL RATE TT RTP		<u>31</u>	<u>13,326,414</u>		<u>696,274</u>	<u>100.0</u>	<u>(220,765)</u>	<u>475,509</u>

(1) BILLS THAT TERMINATE IN RESPECTIVE RATE STEPS.

DUKE ENERGY - KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
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SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES(1A) (E)	PROPOSED REVENUE LESS FUEL COST (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	SL	STREET LIGHTING - CO OWNED & MAINTAINED							
2		OVERHEAD DISTRIBUTION:							
3		MERCURY VAPOR:							
4		7,000 LUMEN (OPEN)	24	1,706	5.75	138	0.0	0	138
5		7,000 LUMEN (OPEN) (5)	0	0	10.11	0	0.0	0	0
6		7,000 LUMEN	66,721	4,464,747	6.91	461,042	38.1	0	461,042
7		7,000 LUMEN (4)	24	1,606	11.22	269	0.0	0	269
8		7,000 LUMEN (5)	576	38,544	11.27	6,492	0.5	0	6,492
9		7,000 LUMEN (6)	24	1,606	12.14	291	0.0	0	291
10		7,000 LUMEN (8A)	132	8,833	13.87	1,831	0.2	0	1,831
11		10,000 LUMEN	2,268	216,216	7.94	18,008	1.5	0	18,008
12		10,000 LUMEN (5)	12	1,144	12.30	148	0.0	0	148
13		21,000 LUMEN	9,108	1,357,851	10.58	96,363	8.0	0	96,363
14		21,000 LUMEN (5)	156	23,257	14.94	2,331	0.2	0	2,331
15		METAL HALIDE:							
16		14,000 LUMEN	252	16,863	6.91	1,741	0.1	0	1,741
17		20,500 LUMEN	84	8,008	7.94	667	0.1	0	667
18		36,000 LUMEN	0	0	10.58	0	0.0	0	0
19		SODIUM VAPOR:							
20		9,500 LUMEN (OPEN)	108	4,383	5.77	623	0.1	0	623
21		9,500 LUMEN	18,624	755,824	7.72	143,777	11.9	0	143,777
22		9,500 LUMEN (4)	48	1,948	12.03	577	0.0	0	577
23		9,500 LUMEN (5)	684	27,759	12.08	8,263	0.7	0	8,263
24		9,500 LUMEN (6)	84	3,409	12.95	1,088	0.1	0	1,088
25		16,000 LUMEN	372	22,041	8.36	3,110	0.3	0	3,110
26		16,000 LUMEN (5)	12	711	12.72	153	0.0	0	153
27		22,000 LUMEN	5,472	432,288	10.87	59,481	4.9	0	59,481
28		22,000 LUMEN (4)	48	3,792	15.18	729	0.1	0	729
29		22,000 LUMEN (5)	252	19,908	15.23	3,838	0.3	0	3,838
30		22,000 LUMEN (6)	72	5,688	16.10	1,159	0.1	0	1,159
31		22,000 LUMEN (8)	12	948	17.77	213	0.0	0	213
32		27,500 LUMEN	72	5,688	10.87	783	0.1	0	783
33		50,000 LUMEN	10,164	1,659,273	14.48	147,175	12.2	0	147,175
34		50,000 LUMEN (4)	12	1,959	18.79	225	0.0	0	225
35		50,000 LUMEN (5)	312	50,934	18.84	5,878	0.5	0	5,878
36		50,000 LUMEN (6)	444	72,483	19.71	8,751	0.7	0	8,751
37		DECORATIVE SODIUM VAPOR:							
38		9,500 LUMEN (15)	0	0	9.62	0	0.0	0	0
39		22,000 LUMEN (15)	12	1,023	11.81	142	0.0	0	142
40		50,000 LUMEN (15)	132	21,549	15.52	2,049	0.2	0	2,049
41		50,000 LUMEN (15)(5)	180	29,385	19.88	3,578	0.3	0	3,578
42		50,000 LUMEN (15)(6)	12	1,959	20.75	249	0.0	0	249
43		50,000 LUMEN (14)	216	35,262	23.26	5,024	0.5	0	5,024
44		50,000 LUMEN (14)(6)	36	5,877	28.49	1,026	0.1	0	1,026
45		TOTAL OVERHEAD	116,761	9,304,472		987,212	81.5	0	987,212

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER K

(3) WITH 17' WOOD LAMINATED POLE.

(4) WITH 30' WOOD POLE.

(5) WITH 35' WOOD POLE.

(6) WITH 40' WOOD POLE.

(7) WITH 12' ALUM POLE.

(8) WITH 28' ALUM POLE.

(8A) WITH 28' ALUM POLE HEAVY GAUGE.

(9) WITH 30' ALUM POLE.

(10) WITH 17' FIBERGLASS POLE.

(11) WITH 12' FIBERGLASS POLE.

(12) WITH 30' FIBERGLASS POLE.

(13) WITH 35' FIBERGLASS POLE.

(14) FIXTURE TYPE - SETBACK .

(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY OF KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X_BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
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WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED	% OF REV TO	PROPOSED	
						FUEL COST REVENUE (F)	TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)
46	SL	STREET LIGHTING - CO OWNED & MAINTAINED (CONT'D.)							
47		UNDERGROUND DISTRIBUTION:							
48		MERCURY VAPOR:							
49		7,000 LUMEN	60	4,370	7.03	422	0.0	0	422
50		7,000 LUMEN (4)	336	24,472	11.34	3,810	0.3	0	3,810
51		7,000 LUMEN (5)	12	874	11.39	137	0.0	0	137
52		7,000 LUMEN (8)	360	26,220	13.83	5,015	0.4	0	5,015
53		10,000 LUMEN	0	0	8.07	0	0.0	0	0
54		10,000 LUMEN (4)	84	8,505	12.38	1,040	0.1	0	1,040
55		10,000 LUMEN (8)	158	15,795	14.97	2,335	0.2	0	2,335
56		21,000 LUMEN	96	15,312	10.81	1,038	0.1	0	1,038
57		21,000 LUMEN (8)	132	21,054	17.71	2,338	0.2	0	2,338
58		METAL HALIDE:							
59		14,000 LUMEN	0	0	7.03	0	0.0	0	0
60		20,500 LUMEN	0	0	8.07	0	0.0	0	0
61		36,000 LUMEN	0	0	10.81	0	0.0	0	0
62		SODIUM VAPOR:							
63		9,500 LUMEN (8)	468	16,993	14.82	6,842	0.6	0	6,842
64		9,500 LUMEN (OPEN)	0	0	5.77	0	0.0	0	0
65		16,000 LUMEN	0	0	8.39	0	0.0	0	0
66		22,000 LUMEN	228	18,012	10.87	2,478	0.2	0	2,478
67		22,000 LUMEN (5)	60	4,740	15.23	914	0.1	0	914
68		22,000 LUMEN (8)	528	41,712	17.77	9,383	0.8	0	9,383
69		22,000 LUMEN (8A)	48	3,792	22.18	1,065	0.1	0	1,065
70		50,000 LUMEN	336	54,852	14.48	4,865	0.4	0	4,865
71		50,000 LUMEN (8)	72	11,754	21.38	1,539	0.1	0	1,539
72		50,000 LUMEN (9)	132	21,549	28.25	3,729	0.3	0	3,729
73		DECORATIVE MERCURY VAPOR:							
74		7,000 LUMEN TOWN & COUNTRY	0	0	7.27	0	0.0	0	0
75		7,000 LUMEN TOWN & COUNTRY (3)	216	15,354	11.64	2,514	0.2	0	2,514
76		7,000 LUMEN TOWN & COUNTRY (10)	4,788	340,347	11.64	55,732	4.6	0	55,732
77		7,000 LUMEN HOLOPHANE	24	1,748	9.17	220	0.0	0	220
78		7,000 LUMEN HOLOPHANE (10)	1,688	121,488	13.54	22,585	1.9	0	22,585
79		7,000 LUMEN GAS REPLICA	0	0	21.16	0	0.0	0	0
80		7,000 LUMEN GRANVILLE (7)	96	6,824	19.24	1,847	0.2	0	1,847
81		7,000 LUMEN ASPEN	24	1,748	13.35	320	0.0	0	320
82		DECORATIVE METAL HALIDE:							
83		14,000 LUMEN TRADITIONAIRE (10)	108	7,677	11.64	1,257	0.1	0	1,257
84		14,000 LUMEN GAS REPLICA (7)	204	14,858	33.13	6,759	0.6	0	6,759
85		14,000 LUMEN GRANVILLE	0	0	13.35	0	0.0	0	0
86		DECORATIVE SODIUM VAPOR:							
87		9,500 LUMEN TOWN & COUNTRY	96	3,696	10.76	1,033	0.1	0	1,033
88		9,500 LUMEN TOWN & COUNTRY (10)	1574	63,878	15.13	23,815	2.0	0	23,815
89		9,500 LUMEN HOLOPHANE	576	25,536	11.65	6,710	0.6	0	6,710
90		9,500 LUMEN HOLOPHANE (10)	312	13,832	16.02	4,998	0.4	0	4,998
91		9,500 LUMEN GAS REPLICA	0	0	22.00	0	0.0	0	0
92		9,500 LUMEN GRANVILLE (7)	132	5,852	25.47	3,362	0.3	0	3,362
93		9,500 LUMEN ASPEN (7)	696	30,856	25.47	17,727	1.5	0	17,727
94		9,500 LUMEN TRADITIONAIRE (10)	252	10,227	15.13	3,813	0.3	0	3,813
95		22,000 LUMEN (15)(12)	168	14,322	20.19	3,392	0.3	0	3,392
96		50,000 LUMEN (15)(12)	36	5,877	23.90	860	0.1	0	860
97		50,000 LUMEN (15)(13)	204	33,303	24.13	4,923	0.4	0	4,923
98		50,000 LUMEN (14)	0	0	23.26	0	0.0	0	0
99		TOTAL UNDERGROUND	14,282	1,009,627		208,817	17.2	0	208,817
100		ADD'L FACILITIES CHARGE:							
101		OVERHEAD		1,599	0.52	831	0.1		831
102		UNDERGROUND		19,074	0.75	14,306	1.2		14,306
103		TOTAL ADD'L FACILITIES CHG		20,673		15,137	1.2	0	15,137
104		TOTAL RATE SL	131,043	10,314,099		1,211,166	100.0	0	1,211,166

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(1A) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATE OF \$2.81/1001 PER KWH.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH

(3) WITH 17' WOOD LAMINATED POLE.

(4) WITH 30' WOOD POLE.

(5) WITH 35' WOOD POLE.

(6) WITH 40' WOOD POLE.

(7) WITH 12' ALUM POLE.

(8) WITH 28' ALUM POLE.

(8A) WITH 28' ALUM POLE HEAVY GAUGE.

(9) WITH 30' ALUM POLE.

(10) WITH 17' FIBERGLASS POLE.

(11) WITH 12' FIBERGLASS POLE.

(12) WITH 30' FIBERGLASS POLE.

(13) WITH 35' FIBERGLASS POLE.

(14) FIXTURE TYPE - SETBACK.

(15) FIXTURE TYPE-RECTILINEAR.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 16 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES (E)	PROPOSED REVENUE LESS FUEL COST REVENUE	% OF REV TO TOTAL LESS FUEL COST REVENUE	FUEL COST REVENUE (2)	PROPOSED TOTAL REVENUE (F + H)
						(F)	(G)	(H)	(I)
				(KWH)	(\$/KWH)	(\$)	(%)	(\$)	(\$)
1	TL	TRAFFIC LIGHTING							
2		SERVICE							
3	(A)	WHERE COMPANY							
4		SUPPLIES ENERGY ONLY (3):							
5	ALL CONSUMPTION		23,628	780,248	0.035196	27,462	9.9	0	27,462
6	(B)	WHERE COMPANY							
7		SUPPLIES ENERGY FROM A							
8		SEPARATELY METERED SOURCE							
9		AND PROVIDES LIMITED							
10		MAINTENANCE:							
11	ALL CONSUMPTION				0.020695	0	0.0	0	0
12	(C)	WHERE COMPANY							
13		SUPPLIES ENERGY AND							
14		PROVIDES LIMITED							
15		MAINTENANCE (3):							
16	ALL CONSUMPTION		64,992	4,494,440	0.055892	251,203	90.1	0	251,203
17	TOTAL RATE TL		88,620	5,274,688		278,665	100.0	0	278,665

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 17 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/KWH) (\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	UOLS	UNMETERED OUTDOOR LIGHTING SERV							
2	BASE RATE		121	14,862	0.034621	515	100.0	0	515
3	TOTAL RATE UOLS		121	14,862		515	100.0	0	515
4	OL	OUTDOOR LIGHTING SERV							
5	(A)	PRIVATE OUTDOOR LIGHTING UNITS:							
6		MERCURY VAPOR:							
7	7,000 LUMEN (OPEN)		9,115	647,928	8.42	76,748	12.6	0	76,748
8	7,000 LUMEN		1,524	110,998	10.81	16,474	2.7	0	16,474
9	10,000 LUMEN		1,788	181,035	12.58	22,493	3.7	0	22,493
10	21,000 LUMEN		2,712	432,564	16.09	43,636	7.1	0	43,636
11		SODIUM VAPOR (OH)							
12	9,500 LUMEN (OPEN)		9,852	399,827	7.45	73,397	12.0	0	73,397
13	9,500 LUMEN		2,292	93,017	9.73	22,301	3.6	0	22,301
14	16,000 LUMEN		240	14,220	10.94	2,626	0.4	0	2,626
15	22,000 LUMEN		1,824	144,098	12.07	22,016	3.6	0	22,016
16	27,500 LUMEN		48	3,792	12.07	579	0.1	0	579
17	50,000 LUMEN		2,772	452,529	13.91	38,559	6.3	0	38,559
18		METAL HALIDE							
19	14,000 LUMEN		60	6,370	10.81	649	0.1	0	649
20	20,500 LUMEN		96	11,720	12.58	1,208	0.2	0	1,208
21	36,000 LUMEN		324	53,678	16.09	5,213	0.9	0	5,213
22		DECORATIVE MV 7,000 LUMEN:							
23	TOWN & COUNTRY		744	52,888	12.99	9,665	1.6	0	9,665
24	HOLOPHANE		216	15,732	16.77	3,622	0.6	0	3,622
25	GAS REPLICA		0	0	40.75	0	0.0	0	0
26	ASPEN		96	6,992	25.14	2,413	0.4	0	2,413
27		DECORATIVE SV 9,500 LUMEN:							
28	TOWN & COUNTRY		1,380	56,005	20.63	28,469	4.7	0	28,469
29	HOLOPHANE		12	532	22.35	268	0.0	0	268
30	RECTILINEAR		0	0	18.36	0	0.0	0	0
31	GAS REPLICA		0	0	43.04	0	0.0	0	0
32	ASPEN		0	0	26.05	0	0.0	0	0
33	22,000 LUMEN (RECTILINEAR)		0	0	21.78	0	0.0	0	0
34	50,000 LUMEN (RECTILINEAR)		0	0	27.51	0	0.0	0	0
35	50,000 LUMEN (SETBACK)		72	11,754	42.99	3,095	0.5	0	3,095
36	TOTAL POL UNITS		35,167	2,895,675		373,431	61.1	0	373,431
37	(B)	FLOODLIGHTING UNITS:							
38		METAL HALIDE:							
39	20,500 LUMEN		144	14,580	12.58	1,812	0.3	0	1,812
40	36,000 LUMEN		288	45,936	16.10	4,637	0.8	0	4,637
41		MERCURY VAPOR:							
42	21,000 LUMEN		1,200	191,400	16.10	19,320	3.2	0	19,320
43		SODIUM VAPOR:							
44	22,000 LUMEN		2,316	197,439	11.97	27,723	4.5	0	27,723
45	30,000 LUMEN		240	20,460	11.97	2,873	0.5	0	2,873
46	50,000 LUMEN		12,348	2,054,813	14.71	181,639	29.7	0	181,639
47	TOTAL FL UNITS		16,536	2,524,728		238,004	38.9	0	238,004
48	TOTAL RATE OL		51,703	5,220,403		611,435	100.0	0	611,435

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 18 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE LESS FUEL COST (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	NSU	NON STANDARD STREET LIGHT UNITS							
2	(A)	COMPANY OWNED							
3	(1)	BOULEVARD INCANDESCENT(UG):							
4	2,500	LUMEN SERIES	0	0	8.95	0	0.0	0	0
5	2,500	LUMEN MULTIPLE	144	9,432	6.88	991	1.7	0	991
6	(2)	HOLOPHANE DECORATIVE:							
7	10,000	LUMEN MV W							
8	17'	FIBERGLASS POLE	372	37,665	16.26	6,049	10.5	0	6,049
9	(3)	STREET LGT UNITS (OH)							
10	2,500	LUMEN INDANDESCENT	840	55,020	6.82	5,729	9.9	0	5,729
11	2,500	LUMEN MERCURY VAPOR	6,206	234,267	6.51	40,401	70.0	0	40,401
12	21,000	LUMEN MERCURY VAPOR	408	65,076	10.11	4,125	7.1	0	4,125
13	TOTAL	COMPANY OWNED	7,970	401,460		57,295	99.3	0	57,295
14	(B)	CUSTOMER OWNED WITH LTD MAINT							
15	(1)	BOULEVARD INCANDESCENT(UG):							
16	2,500	LUMEN SERIES	0	0	5.23	0	0.0	0	0
17	2,500	LUMEN MULTIPLE	60	3,930	6.65	399	0.7	0	399
18	TOTAL	CUSTOMER OWNED	60	3,930		399	0.7	0	399
19	TOTAL RATE	NSU	8,030	405,390		57,694	100.0	0	57,694

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 19 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS(1)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)	
	(A)	(B)	(C)	(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)	
1	NSP	NON STD PRIVATE OUTDOOR LIGHTING								
2	POL	(A) PRIVATE OUTDOOR LIGHT UNITS:								
3		2,500 LUMEN MERCURY (OPEN)	3,060	121,890	7.57	23,164	43.6	0	23,164	
4		2,500 LUMEN MERCURY (ENCL)	252	10,038	10.39	2,618	4.9	0	2,618	
5		TOTAL RATE POL	3,312	131,928		25,782	48.5	0	25,782	
6	URD	(B) OUTDOOR LIGHTING UNITS								
7		-- SERVED UG RES DIST AREAS:								
8		MERCURY VAPOR								
9		7,000 LUMEN, WITH								
10		17' FIBERGLASS POLE	216	15,347	14.13	3,052	5.7	0	3,052	
11		7,000 LUMEN, WITH								
12		17' WOOD LAM POLE	228	16,207	14.13	3,222	6.1	0	3,222	
13		7,000 LUMEN, WITH								
14		30' WOOD POLE	191	13,577	13.05	2,493	4.7	0	2,493	
15		SODIUM VAPOR								
16		9,500 LUMEN TC 100 R	791	32,101	10.92	8,638	16.3	0	8,638	
17		TOTAL RATE URD	1,426	77,232		17,405	32.7	0	17,405	
18	FL	FLOOD LIGHT								
19		MERCURY VAPOR								
20		52,000 LUMEN, WITH								
21		35' WOOD POLE	12	4,584	27.20	326	0.6	0	326	
22		52,000 LUMEN, WITH								
23		50' WOOD POLE	0	0	30.74	0	0.0	0	0	
24		SODIUM VAPOR								
25		50,000 LUMEN	505	82,442	19.09	9,640	18.1	0	9,640	
26		TOTAL RATE FL	517	87,026		9,966	18.7	0	9,966	
27		TOTAL RATE NSP	5,255	296,186		53,153	100.0	0	53,153	

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.
(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 20 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/UNIT)/ (\$/KWH)	(\$)	(%)	(\$)	(\$)
1	SC	STREET LIGHTING -							
2		CUST OWNED/LTD MAINT							
3		STANDARD UNIT-COBRAHEAD							
4		MERCURY VAPOR --							
5		7,000 LUMEN	0	0	4.04	0	0.0	0	0
6		10,000 LUMEN	0	0	5.12	0	0.0	0	0
7		21,000 LUMEN	0	0	7.07	0	0.0	0	0
8		METAL HALIDE --							
9		14,000 LUMEN	0	0	4.04	0	0.0	0	0
10		20,500 LUMEN	0	0	5.12	0	0.0	0	0
11		36,000 LUMEN	0	0	7.07	0	0.0	0	0
12		SODIUM VAPOR--							
13		9,500 LUMEN	12	487	4.86	58	1.6	0	58
14		16,000 LUMEN	0	0	5.49	0	0.0	0	0
15		22,000 LUMEN	0	0	5.99	0	0.0	0	0
16		27,500 LUMEN	0	0	5.99	0	0.0	0	0
17		50,000 LUMEN	0	0	8.00	0	0.0	0	0
18		DECORATIVE UNITS:							
19		7,000 LUMEN MERCURY VAPOR--							
20		HOLOPHANE	0	0	5.16	0	0.0	0	0
21		TOWN & COUNTRY	0	0	5.12	0	0.0	0	0
22		GAS REPLICA	0	0	5.16	0	0.0	0	0
23		ASPEN	0	0	5.16	0	0.0	0	0
24		14,000 LUMEN METAL HALIDE--							
25		TRADITIONAIRE	0	0	5.12	0	0.0	0	0
26		GAS REPLICA	0	0	5.16	0	0.0	0	0
27		GRANVILLE ACORN	0	0	5.16	0	0.0	0	0
28		9,500 LUMEN SODIUM VAPOR--							
29		TOWN & COUNTRY	0	0	4.87	0	0.0	0	0
30		RECTILINEAR	0	0	4.87	0	0.0	0	0
31		ASPEN	0	0	5.08	0	0.0	0	0
32		HOLOPHANE	0	0	5.08	0	0.0	0	0
33		GAS REPLICA	0	0	5.08	0	0.0	0	0
34		TRADITIONAIRE	0	0	4.87	0	0.0	0	0
35		GRANVILLE ACORN	0	0	5.08	0	0.0	0	0
36		SODIUM VAPOR --							
37		22,000 LUMEN (RECTILINEAR)	0	0	6.35	0	0.0	0	0
38		50,000 LUMEN (RECTILINEAR)	0	0	8.29	0	0.0	0	0
39		CUST OWNED/CUST MAINT							
40		ENERGY ONLY	2,196	102,675	0.034621	3,555	98.4	0	3,555
41		TOTAL RATE SC	2,208	103,162		3,613	100.0	0	3,613

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZED TEST YEAR REVENUES AT PROPOSED VS. MOST CURRENT RATES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
(ELECTRIC SERVICE)

DATA: X BASE PERIOD ___ FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
WORK PAPER REFERENCE NO(S):
10 Year Normalized with Adjustments

SCHEDULE M-2.3
PAGE 21 OF 21
WITNESS:
JEFFREY R. BAILEY

PROPOSED ANNUALIZED

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS(1) (C)	SALES (D)	PROPOSED RATES(3) (E)	PROPOSED REVENUE LESS FUEL COST REVENUE (F)	% OF REV TO TOTAL LESS FUEL COST REVENUE (G)	FUEL COST REVENUE (2) (H)	PROPOSED TOTAL REVENUE (F + H) (I)
				(KWH)	(\$/UNIT)	(\$)	(%)	(\$)	(\$)
1	SE	STREET LIGHTING							
2		OVERHEAD EQUIVALENT RATE							
3		MERCURY VAPOR 7,000 LUMEN :							
4		TOWN & COUNTRY	6,449	458,388	7.00	45,143	29.0	0	45,143
5		HOLOPHANE	2,102	153,096	7.03	14,777	9.5	0	14,777
6		GAS REPLICA	696	50,692	7.03	4,893	3.1	0	4,893
7		ASPEN	132	9,614	7.03	928	0.6	0	928
8		SODIUM VAPOR 9,500 LUMEN:							
9		TOWN & COUNTRY	2,270	92,124	7.72	17,524	11.2	0	17,524
10		TRADITIONAIRE	0	0	7.72	0	0.0	0	0
11		HOLOPHANE	2,364	104,804	7.80	18,439	11.8	0	18,439
12		RECTILINEAR	972	39,447	7.72	7,504	4.8	0	7,504
13		GAS REPLICA	1,212	53,732	7.80	9,454	6.1	0	9,454
14		GRANVILLE	84	3,724	7.80	655	0.4	0	655
15		ASPEN	2,616	115,976	7.80	20,405	13.1	0	20,405
16		SODIUM VAPOR:							
17		22,000 LUMEN (RECTILINEAR)	504	42,966	11.00	5,544	3.6	0	5,544
18		50,000 LUMEN (RECTILINEAR)	24	3,918	14.48	348	0.2	0	348
19		50,000 LUMEN (SETBACK)	0	0	14.48	0	0.0	0	0
20		METAL HALIDE:							
21		14,000 TRADITIONAIRE	1,344	95,536	7.00	9,408	6.0	0	9,408
22		14,000 GRANVILLE	0	0	7.03	0	0.0	0	0
23		14,000 GAS REPLICA	120	8,740	7.03	844	0.5	0	844
24		TOTAL RATE SE	20,889	1,232,757		155,866	100.0	0	155,866

(1) THESE FIGURES REPRESENT NUMBER OF UNITS BILLED.

(2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(3) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

Before

KENTUCKY PUBLIC SERVICE COMMISSION

ELECTRIC CASE NO. 2006-00172

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY KENTUCKY
FOR AUTHORITY TO INCREASE
ITS RATES FOR ELECTRIC SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION N

SECTION N

TYPICAL BILL COMPARISON

DUKE ENERGY KENTUCKY

Base Period: Twelve Months Ended August 31, 2006

Forecast Period: Twelve Months Ended December 31, 2007

Schedules

N Typical Bill Comparison

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 1 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS COST of RIDERS				RIDERS				TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
				CURRENT BILL(1)(6) (C)	PROPOSED BILL(1)(7) (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	RIDER FAC (2) (G)	RIDER DSMR (3) (H)	RIDER MSR-E(4) (I)	RIDER PSM(5) (J)	(C+G+H+I+J) (K)	(D+H+I+J) (L)	(L-K) / K (M)	
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	
1	RS	SUMMER													
2		NA	300	23.52	29.49	5.97	25.4	(0.76)	0.32	(0.30)	(0.34)	22.44	29.17	30.0	
3		NA	400	30.08	37.62	7.54	25.1	(1.01)	0.43	(0.40)	(0.45)	28.65	37.20	29.8	
4		NA	500	36.64	45.75	9.11	24.9	(1.26)	0.54	(0.49)	(0.56)	34.87	45.24	29.7	
5		NA	800	56.33	70.14	13.81	24.5	(2.02)	0.86	(0.79)	(0.90)	53.48	69.31	29.6	
6		NA	1,000	69.45	86.40	16.95	24.4	(2.53)	1.08	(0.99)	(1.13)	65.88	85.36	29.6	
7		NA	1,500	103.82	127.05	23.23	22.4	(3.79)	1.62	(1.48)	(1.69)	98.48	125.50	27.4	
8		NA	2,000	138.18	167.70	29.52	21.4	(5.05)	2.16	(1.98)	(2.25)	131.06	165.63	26.4	
9		WINTER													
10		NA	300	23.52	29.49	5.97	25.4	(0.76)	0.32	(0.30)	(0.34)	22.44	29.17	30.0	
11		NA	400	30.08	37.62	7.54	25.1	(1.01)	0.43	(0.40)	(0.45)	28.65	37.20	29.8	
12		NA	500	36.64	45.75	9.11	24.9	(1.26)	0.54	(0.49)	(0.56)	34.87	45.24	29.7	
13		NA	800	56.33	70.14	13.81	24.5	(2.02)	0.86	(0.79)	(0.90)	53.48	69.31	29.6	
14		NA	1,000	69.45	86.40	16.95	24.4	(2.53)	1.08	(0.99)	(1.13)	65.88	85.36	29.6	
15		NA	1,500	94.75	127.05	32.30	34.1	(3.79)	1.62	(1.48)	(1.69)	89.41	125.50	40.4	
16		NA	3,000	170.63	249.00	78.37	45.9	(7.58)	3.24	(2.96)	(3.38)	159.95	245.90	53.7	
17		NA	6,000	322.40	492.90	170.50	52.9	(15.15)	6.48	(5.93)	(6.76)	301.04	486.69	61.7	

- (1) REFLECTS DSM EAP RIDER OF \$0.10 PER BILL.
- (2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
- (3) RIDER DSMR \$0.001080 PER KWH.
- (4) RIDER MSR-E (\$0.000988) PER KWH.
- (5) RIDER PSM (\$0.001127) PER KWH.
- (6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
- (7) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):: SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 2 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	BILL DATA LESS COST OF RIDERS						RIDERS				TOTAL	TOTAL	PERCENT
		LEVEL of DEMAND (A)	LEVEL of USE (B)	CURRENT BILL (5) (C)	PROPOSED BILL (6) (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	RIDER FAC (1) (G)	RIDER DSMR (2) (H)	RIDER MSR-E(3) (I)	RIDER PSM(4) (J)	CURRENT BILL (C+G+H+I+J) (K)	PROPOSED BILL (D+H+I+J) (L)	PERCENT INCREASE (L-K) / K (M)
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
1	DS	5	2,000	147.92	176.46	28.54	19.3	(5.05)	0.02	(0.45)	(0.50)	141.94	175.53	23.7
2		10	4,000	285.84	337.92	52.08	18.2	(10.10)	0.05	(0.89)	(1.00)	273.90	336.08	22.7
3		10	6,000	423.76	499.39	75.63	17.8	(15.15)	0.07	(1.34)	(1.50)	405.84	496.62	22.4
4		30	6,000	521.71	619.39	97.68	18.7	(15.15)	0.07	(1.34)	(1.50)	503.79	616.62	22.4
5		30	9,000	648.01	767.92	119.91	18.5	(22.73)	0.11	(2.01)	(2.25)	621.13	763.77	23.0
6		30	12,000	774.31	916.45	142.14	18.4	(30.30)	0.14	(2.68)	(3.00)	738.47	910.91	23.4
7		50	10,000	820.71	977.43	156.72	19.1	(25.25)	0.12	(2.23)	(2.50)	790.85	972.82	23.0
8		50	15,000	1,031.21	1,224.98	193.77	18.8	(37.88)	0.18	(3.35)	(3.75)	986.41	1,218.06	23.5
9		50	20,000	1,241.71	1,472.53	230.82	18.6	(50.50)	0.24	(4.46)	(5.00)	1,181.99	1,463.31	23.8
10		75	15,000	1,194.46	1,424.98	230.52	19.3	(37.88)	0.18	(3.35)	(3.75)	1,149.66	1,418.06	23.3
11		75	20,000	1,404.96	1,672.53	267.57	19.0	(50.50)	0.24	(4.46)	(5.00)	1,345.24	1,663.31	23.6
12		75	30,000	1,815.27	2,154.75	339.48	18.7	(75.75)	0.36	(6.69)	(7.50)	1,725.69	2,140.92	24.1
13		100	20,000	1,568.21	1,872.53	304.32	19.4	(50.50)	0.24	(4.46)	(5.00)	1,508.49	1,863.31	23.5
14		100	30,000	1,989.21	2,367.63	378.42	19.0	(75.75)	0.36	(6.69)	(7.50)	1,899.63	2,353.80	23.9
15		100	40,000	2,381.69	2,828.38	446.69	18.8	(101.00)	0.48	(8.92)	(10.00)	2,262.25	2,809.94	24.2
16		300	60,000	4,558.21	5,452.93	894.72	19.6	(151.50)	0.72	(13.38)	(15.00)	4,379.05	5,425.27	23.9
17		300	90,000	5,821.21	6,938.23	1,117.02	19.2	(227.25)	1.08	(20.07)	(22.50)	5,552.47	6,896.74	24.2
18		300	120,000	6,913.09	8,217.42	1,304.33	18.9	(303.00)	1.44	(26.76)	(30.00)	6,554.77	8,162.10	24.5
19		500	100,000	7,548.21	9,033.33	1,485.12	19.7	(252.50)	1.20	(22.30)	(25.00)	7,249.61	8,987.23	24.0
20		500	200,000	11,444.49	13,606.46	2,161.97	18.9	(505.00)	2.40	(44.60)	(50.00)	10,847.29	13,514.26	24.6
21		500	300,000	14,941.49	17,698.66	2,757.17	18.5	(757.50)	3.60	(66.90)	(75.00)	14,045.69	17,560.36	25.0
22	EH	WINTER												
23		NA	9,400	494.10	646.89	152.79	30.9	(23.74)	0.11	(2.10)	(8.44)	459.93	636.46	38.4
24		NA	23,600	1,225.40	1,601.44	376.04	30.7	(59.59)	0.28	(5.26)	(21.19)	1,139.64	1,575.27	38.2
25		NA	37,800	1,956.70	2,555.99	599.29	30.6	(95.45)	0.45	(8.43)	(33.94)	1,819.33	2,514.07	38.2

CUSTOMER CHARGE IS BASED ON THREE PHASE SERVICE.

- (1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
- (2) RIDER DSMR \$0.000012 PER KWH.
- (3) RIDER MSR-E (\$0.000223) PER KWH.
- (4) RIDER PSM FOR RATES DS AND EH (\$0.000250), AND (\$0.000898) PER KWH, RESPECTIVELY.
- (5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
- (6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 3 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	BILL DATA LESS COST OF RIDERS						RIDERS				TOTAL	TOTAL	PERCENT
		LEVEL of DEMAND (A)	LEVEL of USE (B)	CURRENT BILL (5) (C)	PROPOSED BILL (6) (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	RIDER FAC (1) (G)	RIDER DSMR (2) (H)	RIDER MSR-E(3) (I)	RIDER PSM(4) (J)	CURRENT BILL (C+G+H+I+J) (K)	PROPOSED BILL (D+H+I+J) (L)	PERCENT INCREASE (L-K) / K (M)
1	DT (SUMMER)	500	144,000	9,932.36	11,832.49	1,900.13	19.1	(363.60)	1.73	(32.11)	(22.61)	9,515.77	11,779.50	23.8
2		500	288,000	14,999.72	17,869.98	2,870.26	19.1	(727.20)	3.46	(64.22)	(45.22)	14,166.54	17,764.00	25.4
3		800	230,400	15,885.78	18,922.98	3,037.20	19.1	(581.76)	2.76	(51.38)	(36.17)	15,219.23	18,838.19	23.8
4		800	460,800	23,993.55	28,582.96	4,589.41	19.1	(1,163.52)	5.53	(102.76)	(72.35)	22,660.45	28,413.38	25.4
5		1,000	288,000	19,854.72	23,649.98	3,795.26	19.1	(727.20)	3.46	(64.22)	(45.22)	19,021.54	23,544.00	23.8
6		1,000	576,000	29,989.44	35,724.95	5,735.51	19.1	(1,454.40)	6.91	(128.45)	(90.43)	28,323.07	35,512.98	25.4
7		1,200	345,600	23,823.66	28,376.97	4,553.31	19.1	(872.64)	4.15	(77.07)	(54.26)	22,823.84	28,249.79	23.8
8		1,200	691,200	35,985.33	42,866.94	6,881.61	19.1	(1,745.28)	8.29	(154.14)	(108.52)	33,985.68	42,612.57	25.4
9		1,500	432,000	29,777.08	35,467.46	5,690.38	19.1	(1,090.80)	5.18	(96.34)	(67.82)	28,527.30	35,308.48	23.8
10		1,500	864,000	44,979.16	53,579.93	8,600.77	19.1	(2,181.60)	10.37	(192.67)	(135.65)	42,479.61	53,261.98	25.4
11	DT (WINTER)	500	144,000	9,092.36	11,127.49	2,035.13	22.4	(363.60)	1.73	(32.11)	(22.61)	8,675.77	11,074.50	27.6
12		500	288,000	14,159.72	17,164.98	3,005.26	21.2	(727.20)	3.46	(64.22)	(45.22)	13,326.54	17,059.00	28.0
13		800	230,400	14,541.78	17,794.98	3,253.20	22.4	(581.76)	2.76	(51.38)	(36.17)	13,875.23	17,710.19	27.6
14		800	460,800	22,649.55	27,454.96	4,805.41	21.2	(1,163.52)	5.53	(102.76)	(72.35)	21,316.45	27,285.38	28.0
15		1,000	288,000	18,174.72	22,239.98	4,065.26	22.4	(727.20)	3.46	(64.22)	(45.22)	17,341.54	22,134.00	27.6
16		1,000	576,000	28,309.44	34,314.95	6,005.51	21.2	(1,454.40)	6.91	(128.45)	(90.43)	26,643.07	34,102.98	28.0
17		1,200	345,600	21,807.66	26,684.97	4,877.31	22.4	(872.64)	4.15	(77.07)	(54.26)	20,807.84	26,557.79	27.6
18		1,200	691,200	33,969.33	41,174.94	7,205.61	21.2	(1,745.28)	8.29	(154.14)	(108.52)	31,969.68	40,920.57	28.0
19		1,500	432,000	27,257.08	33,352.46	6,095.38	22.4	(1,090.80)	5.18	(96.34)	(67.82)	26,007.30	33,193.48	27.6
20		1,500	864,000	42,459.16	51,464.93	9,005.77	21.2	(2,181.60)	10.37	(192.67)	(135.65)	39,959.61	51,146.98	28.0

DEMAND CHARGE USED IS FOR ON-PEAK.

CUSTOMER CHARGE IS BASED ON THREE PHASE SERVICE.

(1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(2) RIDER DSMR \$0.000012 PER KWH.

(3) RIDER MSR-E (\$0.000223) PER KWH.

(4) RIDER PSM (\$0.000157) PER KWH.

(5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):: SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 4 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS COST of RIDERS				RIDERS				TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
				CURRENT BILL (5)	PROPOSED BILL (6)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)	RIDER FAC (1)	RIDER DSMR (2)	RIDER MSR-E(3)	RIDER PSM(4)	(C+G+H+I+J)	(D+H+I+J)	(L-K) / K	
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
1	DP	100	14,400	1,320.29	1,594.58	274.29	20.8	(36.36)	0.17	(3.21)	(2.68)	1,278.21	1,588.86	24.3	
2		100	28,800	1,932.58	2,339.16	406.59	21.0	(72.72)	0.35	(6.42)	(5.36)	1,848.43	2,327.73	25.9	
3		100	43,200	2,446.92	2,974.70	527.78	21.6	(109.08)	0.52	(9.63)	(8.04)	2,320.69	2,957.55	27.4	
4		200	28,800	2,540.58	3,089.16	548.59	21.6	(72.72)	0.35	(6.42)	(5.36)	2,456.43	3,077.73	25.3	
5		200	57,600	3,765.15	4,578.32	813.17	21.6	(145.44)	0.69	(12.84)	(10.71)	3,596.85	4,555.46	26.7	
6		200	86,400	4,793.84	5,849.39	1,055.55	22.0	(218.16)	1.04	(19.27)	(16.07)	4,541.38	5,815.09	28.0	
7		300	43,200	3,760.86	4,583.74	822.88	21.9	(109.08)	0.52	(9.63)	(8.04)	3,634.63	4,566.59	25.6	
8		300	86,400	5,597.73	6,817.48	1,219.76	21.8	(218.16)	1.04	(19.27)	(16.07)	5,345.27	6,783.18	26.9	
9		300	129,600	7,140.76	8,724.09	1,583.33	22.2	(327.24)	1.56	(28.90)	(24.11)	6,762.07	8,672.64	28.3	
10		500	72,000	6,201.44	7,572.90	1,371.46	22.1	(181.80)	0.86	(16.06)	(13.39)	5,991.05	7,544.31	25.9	
11		500	144,000	9,262.88	11,295.81	2,032.93	21.9	(363.60)	1.73	(32.11)	(26.78)	8,842.12	11,238.65	27.1	
12		500	216,000	11,834.60	14,473.49	2,638.89	22.3	(545.40)	2.59	(48.17)	(40.18)	11,203.44	14,387.73	28.4	
13		800	115,200	9,862.30	12,056.65	2,194.34	22.2	(290.88)	1.38	(25.69)	(21.43)	9,525.68	12,010.91	26.1	
14		800	230,400	14,760.61	18,013.29	3,252.68	22.0	(581.76)	2.76	(51.38)	(42.85)	14,087.38	17,921.82	27.2	
15		800	345,600	18,875.36	23,097.58	4,222.22	22.4	(872.64)	4.15	(77.07)	(64.28)	17,865.52	22,960.38	28.5	
16		1000	144,000	12,302.88	15,045.81	2,742.93	22.3	(363.60)	1.73	(32.11)	(26.78)	11,882.12	14,988.65	26.1	
17		1000	288,000	18,425.76	22,491.62	4,065.86	22.1	(727.20)	3.46	(64.22)	(53.57)	17,584.23	22,377.29	27.3	
18		1000	432,000	23,569.20	28,846.97	5,277.77	22.4	(1,090.80)	5.18	(96.34)	(80.35)	22,306.89	28,675.46	28.5	
19		1500	216,000	18,404.32	22,518.71	4,114.39	22.4	(545.40)	2.59	(48.17)	(40.18)	17,773.16	22,432.95	26.2	
20		1500	432,000	27,588.64	33,687.42	6,098.78	22.1	(1,090.80)	5.18	(96.34)	(80.35)	26,326.33	33,515.91	27.3	
21		1500	648,000	35,303.80	43,220.46	7,916.66	22.4	(1,636.20)	7.78	(144.50)	(120.53)	33,410.35	42,963.21	28.6	
22		3000	432,000	36,708.64	44,937.42	8,228.78	22.4	(1,090.80)	5.18	(96.34)	(80.35)	35,446.33	44,765.91	26.3	
23		3000	864,000	55,077.28	67,274.85	12,197.57	22.1	(2,181.60)	10.37	(192.67)	(160.70)	52,552.68	66,931.85	27.4	
24		3000	1,296,000	70,507.60	86,340.92	15,833.32	22.5	(3,272.40)	15.55	(289.01)	(241.06)	66,720.68	85,826.40	28.6	

(1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(2) RIDER DSMR \$0.000012 PER KWH.

(3) RIDER MSR-E (\$0.000223) PER KWH.

(4) RIDER PSM (\$0.000186) PER KWH.

(5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: X BASE PERIOD ___ FORECASTED PERIOD
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SCHEDULE N
PAGE 5 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	BILL DATA LESS COST OF RIDERS						RIDERS				TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
		LEVEL of DEMAND (A)	LEVEL of USE (B)	CURRENT BILL (5)	PROPOSED BILL (6)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)	RIDER FAC (1)	RIDER DSMR (2)	RIDER MSR-E(3)	RIDER PSM(4)	(C+G+H+I+J)	(D+H+I+J)	(L-K) / K	
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
1	TT (SUMMER)	1,000	200,000	13,990.00	15,529.40	1,539.40	11.0	(505.00)	0.00	(2.20)	(5.60)	13,477.20	15,521.60	15.2	
2		1,000	400,000	20,960.00	23,268.80	2,308.80	11.0	(1,010.00)	0.00	(4.40)	(11.20)	19,934.40	23,253.20	16.6	
3		2,500	500,000	34,225.00	38,073.50	3,848.50	11.2	(1,262.50)	0.00	(5.50)	(14.00)	32,943.00	38,054.00	15.5	
4		2,500	1,000,000	51,650.00	57,422.00	5,772.00	11.2	(2,525.00)	0.00	(11.00)	(28.00)	49,086.00	57,383.00	16.9	
5		5,000	1,000,000	67,950.00	75,647.00	7,697.00	11.3	(2,525.00)	0.00	(11.00)	(28.00)	65,386.00	75,608.00	15.6	
6		5,000	2,000,000	102,800.00	114,344.00	11,544.00	11.2	(5,050.00)	0.00	(22.00)	(56.00)	97,672.00	114,266.00	17.0	
7		10,000	2,000,000	135,400.00	150,794.00	15,394.00	11.4	(5,050.00)	0.00	(22.00)	(56.00)	130,272.00	150,716.00	15.7	
8		10,000	4,000,000	205,100.00	228,188.00	23,088.00	11.3	(10,100.00)	0.00	(44.00)	(112.00)	194,844.00	228,032.00	17.0	
9		10,000	6,000,000	274,800.00	305,582.00	30,782.00	11.2	(15,150.00)	0.00	(66.00)	(168.00)	259,416.00	305,348.00	17.7	
10		20,000	4,000,000	270,300.00	301,088.00	30,788.00	11.4	(10,100.00)	0.00	(44.00)	(112.00)	260,044.00	300,932.00	15.7	
11		20,000	8,000,000	409,700.00	455,876.00	46,176.00	11.3	(20,200.00)	0.00	(88.00)	(224.00)	389,188.00	455,564.00	17.1	
12		20,000	12,000,000	549,100.00	610,664.00	61,564.00	11.2	(30,300.00)	0.00	(132.00)	(336.00)	518,332.00	610,196.00	17.7	
13		40,000	16,000,000	818,900.00	911,252.00	92,352.00	11.3	(40,400.00)	0.00	(176.00)	(448.00)	777,876.00	910,628.00	17.1	
14		40,000	24,000,000	1,097,700.00	1,220,828.00	123,128.00	11.2	(60,600.00)	0.00	(264.00)	(672.00)	1,036,164.00	1,219,892.00	17.7	
15		80,000	32,000,000	1,637,300.00	1,822,004.00	184,704.00	11.3	(80,800.00)	0.00	(352.00)	(896.00)	1,555,252.00	1,820,756.00	17.1	
16		80,000	48,000,000	2,194,900.00	2,441,158.00	246,258.00	11.2	(121,200.00)	0.00	(528.00)	(1,344.00)	2,071,828.00	2,439,284.00	17.7	
17		160,000	64,000,000	3,274,100.00	3,643,508.00	369,408.00	11.3	(161,600.00)	0.00	(704.00)	(1,792.00)	3,110,004.00	3,641,012.00	17.1	
18		160,000	96,000,000	4,389,300.00	4,881,812.00	492,512.00	11.2	(242,400.00)	0.00	(1,056.00)	(2,688.00)	4,143,156.00	4,878,068.00	17.7	
19	TT (WINTER)	1,000	200,000	12,800.00	14,219.40	1,419.40	11.1	(505.00)	0.00	(2.20)	(5.60)	12,287.20	14,211.60	15.7	
20		1,000	400,000	19,770.00	21,958.80	2,188.80	11.1	(1,010.00)	0.00	(4.40)	(11.20)	18,744.40	21,943.20	17.1	
21		2,500	500,000	31,250.00	34,798.50	3,548.50	11.4	(1,262.50)	0.00	(5.50)	(14.00)	29,968.00	34,779.00	16.1	
22		2,500	1,000,000	48,675.00	54,147.00	5,472.00	11.2	(2,525.00)	0.00	(11.00)	(28.00)	46,111.00	54,108.00	17.3	
23		5,000	1,000,000	62,000.00	69,097.00	7,097.00	11.4	(2,525.00)	0.00	(11.00)	(28.00)	59,436.00	69,058.00	16.2	
24		5,000	2,000,000	96,850.00	107,794.00	10,944.00	11.3	(5,050.00)	0.00	(22.00)	(56.00)	91,722.00	107,716.00	17.4	
25		10,000	2,000,000	123,500.00	137,694.00	14,194.00	11.5	(5,050.00)	0.00	(22.00)	(56.00)	118,372.00	137,616.00	16.3	
26		10,000	4,000,000	193,200.00	215,088.00	21,888.00	11.3	(10,100.00)	0.00	(44.00)	(112.00)	182,944.00	214,932.00	17.5	
27		10,000	6,000,000	262,900.00	292,482.00	29,582.00	11.3	(15,150.00)	0.00	(66.00)	(168.00)	247,516.00	292,248.00	18.1	
28		20,000	4,000,000	246,500.00	274,888.00	28,388.00	11.5	(10,100.00)	0.00	(44.00)	(112.00)	236,244.00	274,732.00	16.3	
29		20,000	8,000,000	385,900.00	429,676.00	43,776.00	11.3	(20,200.00)	0.00	(88.00)	(224.00)	365,388.00	429,364.00	17.5	
30		20,000	12,000,000	525,300.00	584,464.00	59,164.00	11.3	(30,300.00)	0.00	(132.00)	(336.00)	494,532.00	583,996.00	18.1	
31		40,000	16,000,000	771,300.00	858,852.00	87,552.00	11.4	(40,400.00)	0.00	(176.00)	(448.00)	730,276.00	858,228.00	17.5	
32		40,000	24,000,000	1,050,100.00	1,168,428.00	118,328.00	11.3	(60,600.00)	0.00	(264.00)	(672.00)	988,564.00	1,167,492.00	18.1	
33		80,000	32,000,000	1,542,100.00	1,717,204.00	175,104.00	11.4	(80,800.00)	0.00	(352.00)	(896.00)	1,460,052.00	1,715,956.00	17.5	
34		80,000	48,000,000	2,099,700.00	2,336,356.00	236,656.00	11.3	(121,200.00)	0.00	(528.00)	(1,344.00)	1,976,828.00	2,334,484.00	18.1	
35		160,000	64,000,000	3,083,700.00	3,433,908.00	350,208.00	11.4	(161,600.00)	0.00	(704.00)	(1,792.00)	2,919,604.00	3,431,412.00	17.5	
36		160,000	96,000,000	4,198,900.00	4,672,212.00	473,312.00	11.3	(242,400.00)	0.00	(1,056.00)	(2,688.00)	3,952,756.00	4,668,468.00	18.1	

DEMAND CHARGE USED IS FOR ON-PEAK.
CUSTOMER CHARGE IS BASED ON THREE PHASE SERVICE.
(1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
(2) RIDER DSMR \$0.000000 PER KWH.
(3) RIDER MSR-E (\$0.000011) PER KWH.
(4) RIDER PSM (\$0.000028) PER KWH.
(5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
(6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 1 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS RIDERS			RIDERS				TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
				CURRENT BILL(1)(6)	PROPOSED BILL(1)(7)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)	RIDER FAC (2)	RIDER DSMR (3)	RIDER MSR-E (4)	RIDER PSM (5)	(C+G+H+I+J)	(D+H+I+J)	(L-K) / K
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
1	RS	SUMMER												
2		NA	300	23.52	29.49	5.97	25.4	(0.76)	0.32	(0.30)	(0.34)	22.44	29.17	30.0
3		NA	400	30.08	37.62	7.54	25.1	(1.01)	0.43	(0.40)	(0.45)	28.65	37.20	29.8
4		NA	500	36.64	45.75	9.11	24.9	(1.26)	0.54	(0.49)	(0.56)	34.87	45.24	29.7
5		NA	800	56.33	70.14	13.81	24.5	(2.02)	0.86	(0.79)	(0.90)	53.48	69.31	29.6
6		NA	1,000	69.45	86.40	16.95	24.4	(2.53)	1.08	(0.99)	(1.13)	65.88	85.36	29.6
7		NA	1,500	103.82	127.05	23.23	22.4	(3.79)	1.62	(1.48)	(1.69)	98.48	125.50	27.4
8		NA	2,000	138.18	167.70	29.52	21.4	(5.05)	2.16	(1.98)	(2.25)	131.06	165.63	26.4
9		WINTER												
10		NA	300	23.52	29.49	5.97	25.4	(0.76)	0.32	(0.30)	(0.34)	22.44	29.17	30.0
11		NA	400	30.08	37.62	7.54	25.1	(1.01)	0.43	(0.40)	(0.45)	28.65	37.20	29.8
12		NA	500	36.64	45.75	9.11	24.9	(1.26)	0.54	(0.49)	(0.56)	34.87	45.24	29.7
13		NA	800	56.33	70.14	13.81	24.5	(2.02)	0.86	(0.79)	(0.90)	53.48	69.31	29.6
14		NA	1,000	69.45	86.40	16.95	24.4	(2.53)	1.08	(0.99)	(1.13)	65.88	85.36	29.6
15		NA	1,500	94.75	127.05	32.30	34.1	(3.79)	1.62	(1.48)	(1.69)	89.41	125.50	40.4
16		NA	3,000	170.63	249.00	78.37	45.9	(7.58)	3.24	(2.96)	(3.38)	159.95	245.90	53.7
17		NA	6,000	322.40	492.90	170.50	52.9	(15.15)	6.48	(5.93)	(6.76)	301.04	486.69	61.7

- (1) REFLECTS DSM EAP RIDER OF \$0.10 PER BILL.
- (2) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
- (3) RIDER DSMR \$0.001080 PER KWH.
- (4) RIDER MSR-E (\$0.000988) PER KWH.
- (5) RIDER PSM (\$0.001127) PER KWH.
- (6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
- (7) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
TYPE OF FILING: ___ X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S):: SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 2 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS RIDERS				RIDERS				TOTAL CURRENT BILL (C+G+H+I+J)	TOTAL PROPOSED BILL (D+H+I+J)	PERCENT INCREASE (L-K) / K	
				CURRENT BILL (5)	PROPOSED BILL (6)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)	RIDER FAC (1)	RIDER DSMR (2)	RIDER MSR-E (3)	RIDER PSM (4)				
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
1	DS	5	2,000	147.92	176.46	28.54	19.3	(5.05)	0.02	(0.45)	(0.50)	141.94	175.53	23.7	
2		10	4,000	285.84	337.92	52.08	18.2	(10.10)	0.05	(0.89)	(1.00)	273.90	336.08	22.7	
3		10	6,000	423.76	499.39	75.63	17.8	(15.15)	0.07	(1.34)	(1.50)	405.84	496.62	22.4	
4		30	6,000	521.71	619.39	97.68	18.7	(15.15)	0.07	(1.34)	(1.50)	503.79	616.62	22.4	
5		30	9,000	648.01	767.92	119.91	18.5	(22.73)	0.11	(2.01)	(2.25)	621.13	763.77	23.0	
6		30	12,000	774.31	916.45	142.14	18.4	(30.30)	0.14	(2.68)	(3.00)	738.47	910.91	23.4	
7		50	10,000	820.71	977.43	156.72	19.1	(25.25)	0.12	(2.23)	(2.50)	790.85	972.82	23.0	
8		50	15,000	1,031.21	1,224.98	193.77	18.8	(37.88)	0.18	(3.35)	(3.75)	986.41	1,218.06	23.5	
9		50	20,000	1,241.71	1,472.53	230.82	18.6	(50.50)	0.24	(4.46)	(5.00)	1,181.99	1,463.31	23.8	
10		75	15,000	1,194.46	1,424.98	230.52	19.3	(37.88)	0.18	(3.35)	(3.75)	1,149.66	1,418.06	23.3	
11		75	20,000	1,404.96	1,672.53	267.57	19.0	(50.50)	0.24	(4.46)	(5.00)	1,345.24	1,663.31	23.6	
12		75	30,000	1,815.27	2,154.75	339.48	18.7	(75.75)	0.36	(6.69)	(7.50)	1,725.69	2,140.92	24.1	
13		100	20,000	1,568.21	1,872.53	304.32	19.4	(50.50)	0.24	(4.46)	(5.00)	1,508.49	1,863.31	23.5	
14		100	30,000	1,989.21	2,367.63	378.42	19.0	(75.75)	0.36	(6.69)	(7.50)	1,899.63	2,353.80	23.9	
15		100	40,000	2,381.69	2,828.38	446.69	18.8	(101.00)	0.48	(8.92)	(10.00)	2,262.25	2,809.94	24.2	
16		300	60,000	4,558.21	5,452.93	894.72	19.6	(151.50)	0.72	(13.38)	(15.00)	4,379.05	5,425.27	23.9	
17		300	90,000	5,821.21	6,938.23	1,117.02	19.2	(227.25)	1.08	(20.07)	(22.50)	5,552.47	6,896.74	24.2	
18		300	120,000	6,913.09	8,217.42	1,304.33	18.9	(303.00)	1.44	(26.76)	(30.00)	6,554.77	8,162.10	24.5	
19		500	100,000	7,548.21	9,033.33	1,485.12	19.7	(252.50)	1.20	(22.30)	(25.00)	7,249.61	8,987.23	24.0	
20		500	200,000	11,444.49	13,606.46	2,161.97	18.9	(505.00)	2.40	(44.60)	(50.00)	10,847.29	13,514.26	24.6	
21		500	300,000	14,941.49	17,698.66	2,757.17	18.5	(757.50)	3.60	(66.90)	(75.00)	14,045.69	17,560.36	25.0	
22	EH	WINTER													
23		NA	9,400	494.10	646.89	152.79	30.9	(23.74)	0.11	(2.10)	(8.44)	459.93	636.46	38.4	
24		NA	23,600	1,225.40	1,601.44	376.04	30.7	(59.59)	0.28	(5.26)	(21.19)	1,139.64	1,575.27	38.2	
25		NA	37,800	1,956.70	2,555.99	599.29	30.6	(95.45)	0.45	(8.43)	(33.94)	1,819.33	2,514.07	38.2	

CUSTOMER CHARGE IS BASED ON THREE PHASE SERVICE.

- (1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.
- (2) RIDER DSMR \$0.000012 PER KWH.
- (3) RIDER MSR-E (\$0.000223) PER KWH.
- (4) RIDER PSM FOR RATES DS AND EH (\$0.000250), AND (\$0.000898) PER KWH, RESPECTIVELY.
- (5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
- (6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: ___ BASE PERIOD ___X FORECASTED PERIOD
TYPE OF FILING: ___X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 3 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS RIDERS				RIDERS				TOTAL CURRENT BILL (C+G+H+I+J) (K)	TOTAL PROPOSED BILL (D+H+I+J) (L)	PERCENT INCREASE (L-K) / K (M)
				CURRENT BILL (5) (C)	PROPOSED BILL (6) (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	RIDER FAC (1) (G)	RIDER DSMR (2) (H)	RIDER MSR-E (3) (I)	RIDER PSM (4) (J)			
1	DT (SUMMER)	500	144,000	9,932.36	11,832.49	1,900.13	19.1	(363.60)	1.73	(32.11)	(22.61)	9,515.77	11,779.50	23.8
2		500	288,000	14,999.72	17,869.98	2,870.26	19.1	(727.20)	3.46	(64.22)	(45.22)	14,166.54	17,764.00	25.4
3		800	230,400	15,885.78	18,922.98	3,037.20	19.1	(581.76)	2.76	(51.38)	(36.17)	15,219.23	18,838.19	23.8
4		800	460,800	23,993.55	28,582.96	4,589.41	19.1	(1,163.52)	5.53	(102.76)	(72.35)	22,660.45	28,413.38	25.4
5		1,000	288,000	19,854.72	23,649.98	3,795.26	19.1	(727.20)	3.46	(64.22)	(45.22)	19,021.54	23,544.00	23.8
6		1,000	576,000	29,989.44	35,724.95	5,735.51	19.1	(1,454.40)	6.91	(128.45)	(90.43)	28,323.07	35,512.98	25.4
7		1,200	345,600	23,823.66	28,376.97	4,553.31	19.1	(872.64)	4.15	(77.07)	(54.26)	22,823.84	28,249.79	23.8
8		1,200	691,200	35,985.33	42,866.94	6,881.61	19.1	(1,745.28)	8.29	(154.14)	(108.52)	33,985.68	42,612.57	25.4
9		1,500	432,000	29,777.08	35,467.46	5,690.38	19.1	(1,090.80)	5.18	(96.34)	(67.82)	28,527.30	35,308.48	23.8
10		1,500	864,000	44,979.16	53,579.93	8,600.77	19.1	(2,181.60)	10.37	(192.67)	(135.65)	42,479.61	53,261.98	25.4
11	DT (WINTER)	500	144,000	9,092.36	11,127.49	2,035.13	22.4	(363.60)	1.73	(32.11)	(22.61)	8,675.77	11,074.50	27.6
12		500	288,000	14,159.72	17,164.98	3,005.26	21.2	(727.20)	3.46	(64.22)	(45.22)	13,326.54	17,059.00	28.0
13		800	230,400	14,541.78	17,794.98	3,253.20	22.4	(581.76)	2.76	(51.38)	(36.17)	13,875.23	17,710.19	27.6
14		800	460,800	22,649.55	27,454.96	4,805.41	21.2	(1,163.52)	5.53	(102.76)	(72.35)	21,316.45	27,285.38	28.0
15		1,000	288,000	18,174.72	22,239.98	4,065.26	22.4	(727.20)	3.46	(64.22)	(45.22)	17,341.54	22,134.00	27.6
16		1,000	576,000	28,309.44	34,314.95	6,005.51	21.2	(1,454.40)	6.91	(128.45)	(90.43)	26,643.07	34,102.98	28.0
17		1,200	345,600	21,807.66	26,684.97	4,877.31	22.4	(872.64)	4.15	(77.07)	(54.26)	20,807.84	26,557.79	27.6
18		1,200	691,200	33,969.33	41,174.94	7,205.61	21.2	(1,745.28)	8.29	(154.14)	(108.52)	31,969.68	40,920.57	28.0
19		1,500	432,000	27,257.08	33,352.46	6,095.38	22.4	(1,090.80)	5.18	(96.34)	(67.82)	26,007.30	33,193.48	27.6
20		1,500	864,000	42,459.16	51,464.93	9,005.77	21.2	(2,181.60)	10.37	(192.67)	(135.65)	39,959.61	51,146.98	28.0

DEMAND CHARGE USED IS FOR ON-PEAK.

CUSTOMER CHARGE IS BASED ON THREE PHASE SERVICE.

(1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(2) RIDER DSMR \$0.000012 PER KWH.

(3) RIDER MSR-E (\$0.000223) PER KWH.

(4) RIDER PSM (\$0.000157) PER KWH.

(5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 4 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS RIDERS			RIDERS				TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
				CURRENT BILL (5)	PROPOSED BILL (6)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)	RIDER FAC (1)	RIDER DSMR (2)	RIDER MSR-E (3)	RIDER PSM (4)	(C+G+H+I+J)	(D+H+I+J)	(L-K) / K
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(I)	(J)	(\$)	(\$)	(%)
1	DP	100	14,400	1,320.29	1,594.58	274.29	20.8	(36.36)	0.17	(3.21)	(2.68)	1,278.21	1,588.86	24.3
2		100	28,800	1,932.58	2,339.16	406.59	21.0	(72.72)	0.35	(6.42)	(5.36)	1,848.43	2,327.73	25.9
3		100	43,200	2,446.92	2,974.70	527.78	21.6	(109.08)	0.52	(9.63)	(8.04)	2,320.69	2,957.55	27.4
4		200	28,800	2,540.58	3,089.16	548.59	21.6	(72.72)	0.35	(6.42)	(5.36)	2,456.43	3,077.73	25.3
5		200	57,600	3,765.15	4,578.32	813.17	21.6	(145.44)	0.69	(12.84)	(10.71)	3,596.85	4,555.46	26.7
6		200	86,400	4,793.84	5,849.39	1,055.55	22.0	(218.16)	1.04	(19.27)	(16.07)	4,541.38	5,815.09	28.0
7		300	43,200	3,760.86	4,583.74	822.88	21.9	(109.08)	0.52	(9.63)	(8.04)	3,634.63	4,566.59	25.6
8		300	86,400	5,597.73	6,817.48	1,219.76	21.8	(218.16)	1.04	(19.27)	(16.07)	5,345.27	6,783.18	26.9
9		300	129,600	7,140.76	8,724.09	1,583.33	22.2	(327.24)	1.56	(28.90)	(24.11)	6,762.07	8,672.64	28.3
10		500	72,000	6,201.44	7,572.90	1,371.46	22.1	(181.80)	0.86	(16.06)	(13.39)	5,991.05	7,544.31	25.9
11		500	144,000	9,262.88	11,295.81	2,032.93	21.9	(363.60)	1.73	(32.11)	(26.78)	8,842.12	11,238.65	27.1
12		500	216,000	11,834.60	14,473.49	2,638.89	22.3	(545.40)	2.59	(48.17)	(40.18)	11,203.44	14,387.73	28.4
13		800	115,200	9,862.30	12,056.65	2,194.34	22.2	(290.88)	1.38	(25.69)	(21.43)	9,525.68	12,010.91	26.1
14		800	230,400	14,760.61	18,013.29	3,252.68	22.0	(581.76)	2.76	(51.38)	(42.85)	14,087.38	17,921.82	27.2
15		800	345,600	18,875.36	23,097.58	4,222.22	22.4	(872.64)	4.15	(77.07)	(64.28)	17,865.52	22,960.38	28.5
16		1000	144,000	12,302.88	15,045.81	2,742.93	22.3	(363.60)	1.73	(32.11)	(26.78)	11,882.12	14,988.65	26.1
17		1000	288,000	18,425.76	22,491.62	4,065.86	22.1	(727.20)	3.46	(64.22)	(53.57)	17,584.23	22,377.29	27.3
18		1000	432,000	23,569.20	28,846.97	5,277.77	22.4	(1,090.80)	5.18	(96.34)	(80.35)	22,306.89	28,675.46	28.5
19		1500	216,000	18,404.32	22,518.71	4,114.39	22.4	(545.40)	2.59	(48.17)	(40.18)	17,773.16	22,432.95	26.2
20		1500	432,000	27,588.64	33,687.42	6,098.78	22.1	(1,090.80)	5.18	(96.34)	(80.35)	26,326.33	33,515.91	27.3
21		1500	648,000	35,303.80	43,220.46	7,916.66	22.4	(1,636.20)	7.78	(144.50)	(120.53)	33,410.35	42,963.21	28.6
22		3000	432,000	36,708.64	44,937.42	8,228.78	22.4	(1,090.80)	5.18	(96.34)	(80.35)	35,446.33	44,765.91	26.3
23		3000	864,000	55,077.28	67,274.85	12,197.57	22.1	(2,181.60)	10.37	(192.67)	(160.70)	52,552.68	66,931.85	27.4
24		3000	1,296,000	70,507.60	86,340.92	15,833.32	22.5	(3,272.40)	15.55	(289.01)	(241.06)	66,720.68	85,826.40	28.6

(1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF (\$0.002525) PER KWH.

(2) RIDER DSMR \$0.000012 PER KWH.

(3) RIDER MSR-E (\$0.000223) PER KWH.

(4) RIDER PSM (\$0.000186) PER KWH.

(5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.

(6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
TYPICAL BILL COMPARISON
ELECTRIC DEPARTMENT

DATA: ___ BASE PERIOD ___ X FORECASTED PERIOD
TYPE OF FILING: ___ X ORIGINAL ___ UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW
10 Year Normalized with Adjustments

SCHEDULE N
PAGE 5 OF 5
WITNESS:
JEFFREY R. BAILEY

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA LESS RIDERS			RIDERS				TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
				CURRENT BILL (5)	PROPOSED BILL (6)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)	RIDER FAC (1)	RIDER DSMR (2)	RIDER MSR-E (3)	RIDER PSM (4)	(C+G+H+I+J)	(D+H+I+J)	(L-K) / K
		(KW)	(KWH)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
1	TT (SUMMER)	1,000	200,000	13,990.00	15,529.40	1,539.40	11.0	(505.00)	0.00	(2.20)	(5.60)	13,477.20	15,521.60	15.2
2		1,000	400,000	20,960.00	23,268.80	2,308.80	11.0	(1,010.00)	0.00	(4.40)	(11.20)	19,934.40	23,253.20	16.6
3		2,500	500,000	34,225.00	38,073.50	3,848.50	11.2	(1,262.50)	0.00	(5.50)	(14.00)	32,943.00	38,054.00	15.5
4		2,500	1,000,000	51,650.00	57,422.00	5,772.00	11.2	(2,525.00)	0.00	(11.00)	(28.00)	49,086.00	57,383.00	16.9
5		5,000	1,000,000	67,950.00	75,647.00	7,697.00	11.3	(2,525.00)	0.00	(11.00)	(28.00)	65,386.00	75,608.00	15.6
6		5,000	2,000,000	102,800.00	114,344.00	11,544.00	11.2	(5,050.00)	0.00	(22.00)	(56.00)	97,672.00	114,266.00	17.0
7		10,000	2,000,000	135,400.00	150,794.00	15,394.00	11.4	(5,050.00)	0.00	(22.00)	(56.00)	130,272.00	150,716.00	15.7
8		10,000	4,000,000	205,100.00	228,188.00	23,088.00	11.3	(10,100.00)	0.00	(44.00)	(112.00)	194,844.00	228,032.00	17.0
9		10,000	6,000,000	274,800.00	305,582.00	30,782.00	11.2	(15,150.00)	0.00	(66.00)	(168.00)	259,416.00	305,348.00	17.7
10		20,000	4,000,000	270,300.00	301,088.00	30,788.00	11.4	(10,100.00)	0.00	(44.00)	(112.00)	260,044.00	300,932.00	15.7
11		20,000	8,000,000	409,700.00	455,876.00	46,176.00	11.3	(20,200.00)	0.00	(88.00)	(224.00)	389,188.00	455,564.00	17.1
12		20,000	12,000,000	549,100.00	610,664.00	61,564.00	11.2	(30,300.00)	0.00	(132.00)	(336.00)	518,332.00	610,196.00	17.7
13		40,000	16,000,000	818,900.00	911,252.00	92,352.00	11.3	(40,400.00)	0.00	(176.00)	(448.00)	777,876.00	910,828.00	17.1
14		40,000	24,000,000	1,097,700.00	1,220,828.00	123,128.00	11.2	(60,600.00)	0.00	(264.00)	(672.00)	1,036,164.00	1,219,892.00	17.7
15		80,000	32,000,000	1,637,300.00	1,822,004.00	184,704.00	11.3	(80,800.00)	0.00	(352.00)	(896.00)	1,555,252.00	1,820,756.00	17.1
16		80,000	48,000,000	2,194,900.00	2,441,156.00	246,256.00	11.2	(121,200.00)	0.00	(528.00)	(1,344.00)	2,071,828.00	2,439,284.00	17.7
17		160,000	64,000,000	3,274,100.00	3,643,508.00	369,408.00	11.3	(161,600.00)	0.00	(704.00)	(1,792.00)	3,110,004.00	3,641,012.00	17.1
18		160,000	96,000,000	4,389,300.00	4,881,812.00	492,512.00	11.2	(242,400.00)	0.00	(1,058.00)	(2,688.00)	4,143,156.00	4,878,068.00	17.7
19	TT (WINTER)	1,000	200,000	12,800.00	14,219.40	1,419.40	11.1	(505.00)	0.00	(2.20)	(5.60)	12,287.20	14,211.60	15.7
20		1,000	400,000	19,770.00	21,958.80	2,188.80	11.1	(1,010.00)	0.00	(4.40)	(11.20)	18,744.40	21,943.20	17.1
21		2,500	500,000	31,250.00	34,798.50	3,548.50	11.4	(1,262.50)	0.00	(5.50)	(14.00)	29,988.00	34,779.00	16.1
22		2,500	1,000,000	48,675.00	54,147.00	5,472.00	11.2	(2,525.00)	0.00	(11.00)	(28.00)	46,111.00	54,108.00	17.3
23		5,000	1,000,000	62,000.00	69,097.00	7,097.00	11.4	(2,525.00)	0.00	(11.00)	(28.00)	59,436.00	69,058.00	16.2
24		5,000	2,000,000	96,850.00	107,794.00	10,944.00	11.3	(5,050.00)	0.00	(22.00)	(56.00)	91,722.00	107,716.00	17.4
25		10,000	2,000,000	123,500.00	137,694.00	14,194.00	11.5	(5,050.00)	0.00	(22.00)	(56.00)	118,372.00	137,616.00	16.3
26		10,000	4,000,000	193,200.00	215,088.00	21,888.00	11.3	(10,100.00)	0.00	(44.00)	(112.00)	182,944.00	214,932.00	17.5
27		10,000	6,000,000	262,900.00	292,482.00	29,582.00	11.3	(15,150.00)	0.00	(66.00)	(168.00)	247,516.00	292,248.00	18.1
28		20,000	4,000,000	246,500.00	274,888.00	28,388.00	11.5	(10,100.00)	0.00	(44.00)	(112.00)	236,244.00	274,732.00	16.3
29		20,000	8,000,000	385,900.00	429,676.00	43,776.00	11.3	(20,200.00)	0.00	(88.00)	(224.00)	365,388.00	429,364.00	17.5
30		20,000	12,000,000	525,300.00	584,464.00	59,164.00	11.3	(30,300.00)	0.00	(132.00)	(336.00)	494,532.00	583,996.00	18.1
31		40,000	16,000,000	771,300.00	858,852.00	87,552.00	11.4	(40,400.00)	0.00	(176.00)	(448.00)	730,276.00	858,228.00	17.5
32		40,000	24,000,000	1,050,100.00	1,168,428.00	118,328.00	11.3	(60,600.00)	0.00	(264.00)	(672.00)	988,564.00	1,167,492.00	18.1
33		80,000	32,000,000	1,542,100.00	1,717,204.00	175,104.00	11.4	(80,800.00)	0.00	(352.00)	(896.00)	1,460,052.00	1,715,956.00	17.5
34		80,000	48,000,000	2,099,700.00	2,336,356.00	236,656.00	11.3	(121,200.00)	0.00	(528.00)	(1,344.00)	1,976,628.00	2,334,484.00	18.1
35		160,000	64,000,000	3,083,700.00	3,433,908.00	350,208.00	11.4	(161,600.00)	0.00	(704.00)	(1,792.00)	2,919,604.00	3,431,412.00	17.5
36		160,000	96,000,000	4,198,900.00	4,672,212.00	473,312.00	11.3	(242,400.00)	0.00	(1,058.00)	(2,688.00)	3,952,756.00	4,668,468.00	18.1

- DEMAND CHARGE USED IS FOR ON-PEAK.
CUSTOMER CHARGE IS BASED ON THREE PHASE SERVICE.
(1) REFLECTS FUEL ADJUSTMENT COMPONENT (FAC) OF \$0.002525 PER KWH.
(2) RIDER DSMR \$0.000000 PER KWH.
(3) RIDER MSR-E (\$0.000011) PER KWH.
(4) RIDER PSM (\$0.000028) PER KWH.
(5) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.019091 PER KWH.
(6) REFLECTS FUEL COST RECOVERY INCLUDED IN BASE RATES OF \$0.021619 PER KWH.