

**The Union Light, Heat and Power Company
d/b/a Duke Energy Kentucky
Case No. 2006-00172
Forecasted Test Period Filing Requirements
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**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)	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: <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)	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: <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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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
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 16

COST ALLOCATION MANUAL



COST ALLOCATION MANUAL

DUKE ENERGY KENTUCKY

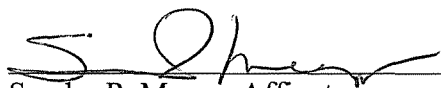
AFFIDAVIT OF SANDRA P. MEYER

State of Ohio)
) SS:
County of Hamilton)

Now comes Sandra P. Meyer, President of The Cincinnati Gas & Electric Company d/b/a Duke Energy Ohio (“Duke Energy Ohio”) and President of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky (“Duke Energy Kentucky”), and as required by KRS § 278.2205(3)(a), hereby attests as follows:


1. Duke Energy Kentucky has developed a Cost Allocation Manual (“CAM”) in accordance with KRS § 278.2205(2); and
2. the CAM will be adopted by the management of Duke Energy Kentucky as required by KRS § 278.2205.

Further affiant sayeth naught.



Sandra P. Meyer, Affiant

Sworn and subscribed before me by Sandra P. Meyer on this 26th day of May, 2006.



Notary Public

My Commission Expires:



Cost Allocation Manual of Duke Energy Kentucky

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- II. CAM Requirements
 - A. **KRS 278.2205(2)(a)**: A list of regulated and nonregulated divisions within the utility
 - B. **KRS 278.2205(2)(b)**: A list of all regulated and nonregulated affiliates of the utility to which the utility provides services or products and where the affiliates provide nonregulated activities as defined in KRS 278.010(21)
 - B-1. Regulated and Nonregulated Affiliate Companies of Duke Energy Kentucky
 - C. **KRS 278.2205(2)(c)**: A list of services and products provided by the utility, an identification of each as regulated or nonregulated, and the cost allocation method generally applicable to each category
 - C-1. Regulated and Nonregulated Services and Products of Duke Energy Kentucky
 - D. **KRS 278.2205(2)(d)**: A list of incidental, nonregulated activities that are subject to the provisions of KRS 278.2203(4)
 - D-1. Incidental Nonregulated Activities of Duke Energy Kentucky
 - E. **KRS 278.2205(2)(e)**: A description of the nature of transactions between the utility and the affiliate
 - E-1. Operating Company/ Nonutility Companies Service Agreement
 - E-2. Operating Companies Service Agreement
 - E-3. Service Company Utility Service Agreement
 - E-4. Duke Energy Kentucky Affiliate Transactions
 - F. **KRS 278.2205(2)(f)**: For each USoA account and subaccount, a report that identifies whether the account contains costs attributable to regulated operations and nonregulated operations. The report shall also identify whether the costs are joint costs that cannot be directly identified. A description of the methodology used to apportion each of these costs shall be included and the allocation methodology shall be consistent with the provisions of KRS 278.2203
 - F-1. Duke Energy Kentucky Accounts

I. Introduction

The Union Light Heat and Power Company d/b/a Duke Energy Kentucky, Inc. (“Duke Energy Kentucky”) is a corporation organized and existing under the laws of the Commonwealth of Kentucky. Duke Energy Kentucky is a wholly-owned subsidiary of The Cincinnati Gas & Electric Company d/b/a/ Duke Energy Ohio, Inc. (“Duke Energy Ohio”). Duke Energy Ohio provides electric and gas service in southwestern Ohio and also owns and operates nonregulated generating assets. Duke Energy Ohio and Duke Energy Kentucky are headquartered in Cincinnati, Ohio. Duke Energy Corporation (“Duke Energy”) is a diversified energy company with a portfolio of electric and natural gas businesses, both regulated and nonregulated, and an affiliated real estate company. Duke Energy is the ultimate parent company of Duke Energy Kentucky and Duke Energy Ohio and is headquartered in Charlotte, North Carolina.

Duke Energy Kentucky’s customer service office in Kentucky is 1697 A Monmouth Street, Newport Shopping Center, Newport, Kentucky 41071, and its mailing address is P.O. Box 960, Cincinnati, Ohio 45201. Duke Energy Kentucky purchases, sells, stores and transports natural gas in Boone, Campbell, Gallatin, Grant, Kenton and Pendleton Counties, Kentucky. Duke Energy Kentucky also generates electricity, which it distributes and sells in Boone, Campbell, Grant, Kenton and Pendleton Counties, Kentucky. Duke Energy Kentucky is a “utility” as defined in KRS 278.010(3)¹ and is subject to the jurisdiction of the Kentucky Public Service Commission (“Commission”) pursuant to KRS 278.040.²

Duke Energy Kentucky has developed this Cost Allocation Manual (“CAM”) as required by KRS 278.2205.³ This statute provides that any Kentucky utility engaged in nonregulated activities which produce aggregate revenue exceeding “the lesser of two percent (2%) of the utility’s total

¹ KY. REV. STAT. ANN. § 278.010(3) (Banks-Baldwin 2006).

² KY. REV. STAT. ANN. § 278.040 (Banks-Baldwin 2006).

³ KY. REV. STAT. ANN. § 278.2205 (Banks-Baldwin 2006).

revenue or one million dollars (\$1,000,000) annually, shall develop and file a CAM with the Commission.⁴ As such, Duke Energy Kentucky has developed this CAM and will make it available for public inspection at its office as required by law.

⁴ KY. REV. STAT. ANN. § 278.2203 (Banks-Baldwin 2006).

II. CAM Requirements

Duke Energy Kentucky's CAM is organized to follow the CAM specific regulations set forth in KRS 278.2205(2)(a) through (f).⁵ The individually labeled tabs identify the various documents that explain the operational and cost allocation procedures of Duke Energy Kentucky, as required under each of the five sub-paragraphs of KRS 278.2205(2).⁶

In general, there are three categories of cost allocations that affect Duke Energy Kentucky and its affiliates: (1) cost allocations from Duke Energy Shared Services, Inc. ("Duke Energy Shared Services") and Duke Energy Business Services LLC, the two affiliate service companies of Duke Energy; (2) cost allocations between Duke Energy Kentucky and Duke Energy Ohio for common costs shared by Duke Energy Ohio and Duke Energy Kentucky; and (3) administrative and general ("A&G") cost allocations between gas and electric operations for both capital and expense accounts. The Company's allocation methodologies under those categories are described through the responses to the sub-paragraphs of KRS 278.2205(2).⁷

⁵ KY. REV. STAT. ANN. § 278.2205 (Banks-Baldwin 2006).

⁶ *Id.*

⁷ *Id.*

KRS 278.2205(2)(a)

A. A list of regulated and nonregulated divisions within the utility.

The above requirement is not applicable to Duke Energy Kentucky. Duke Energy Kentucky, does not contain nonregulated divisions. The divisions of Duke Energy Kentucky consist solely of its regulated electric and gas utility operations, which are subject to the Commission's jurisdiction.

KRS 278.2205(2)(b)

- B. A list of all regulated and nonregulated affiliates of the utility to which the utility provides services or products and where the affiliates provide nonregulated activities as defined in KRS 278.010(21).⁸**

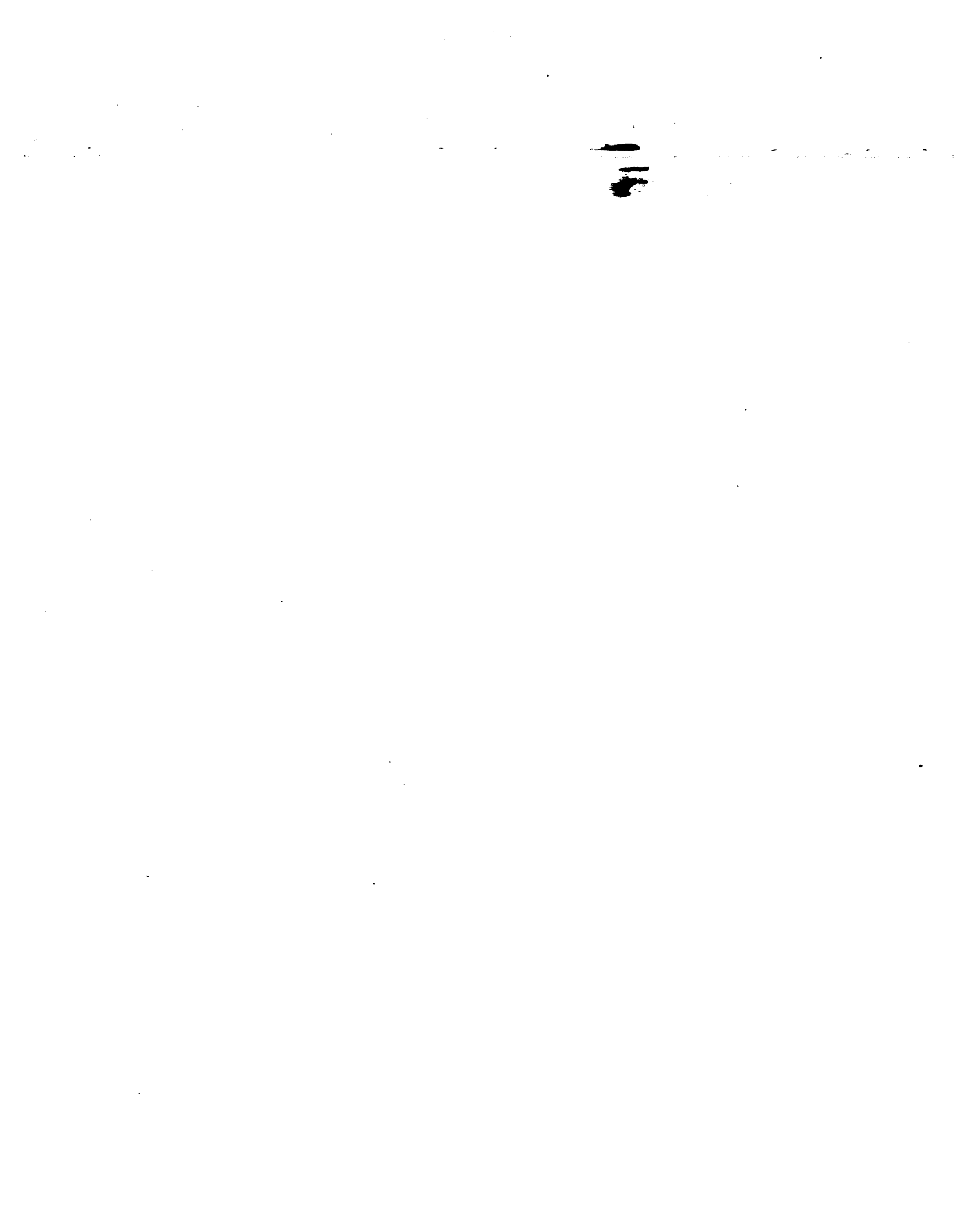
Duke Energy Kentucky is authorized to provide services to and/ or receive services from nonregulated affiliates pursuant to the Operating Company/ Nonutility Companies Service Agreement. *Attachment E-1*. This agreement was approved by the Commission in Case No. 2005-00228, involving the business combination between Duke Energy and Cinergy Corp. This agreement sets forth the terms and conditions of the provision of services between Duke Energy Kentucky and its non-utility affiliates, including cost allocation and assignment methodologies. The nonregulated affiliates to which Duke Energy Kentucky could provide services, or receive services, are listed in this agreement.

Duke Energy Kentucky and its utility affiliates, Duke Power Company LLC d/b/a Duke Energy Carolinas, Duke Energy Ohio, PSI Energy, Inc. d/b/a Duke Energy Indiana, Inc. (“Duke Energy Indiana”) and Miami Power Corporation provide and receive services to and from each other in the normal course of conducting business. While these operating company affiliates are considered to be outside the regulatory authority of the Kentucky Public Service Commission, they are in fact regulated, to at least some degree, within their respective states of operation. All services rendered between and among these utility affiliates are provided pursuant to the Operating Companies Service Agreement. *Attachment E-2*. The Operating Companies Service Agreement was also approved by the Kentucky Public Service Commission in Case No. 2005-00228. The agreement sets forth the terms and conditions of the provision of services including, but not limited to, the allocation and assignment of costs.

⁸ “Nonregulated activity” means the provision of competitive retail gas or electric services or other products or services over which the Commission exerts no regulatory authority. KY. REV. STAT. ANN. § 278.010(21) (Banks-Baldwin 2006).

Duke Energy Shared Services and Duke Energy Business Services, LLC (“Duke Energy Business Services”), both wholly-owned subsidiary service companies of Duke Energy, provide a variety of administrative, management and support services to their utility affiliates, including Duke Energy Kentucky. These services are performed pursuant to the Service Company Utility Service Agreement. *Attachment E-3*. The Service Company Utilities Service Agreement also received Commission approval in Case No. 2005-00228. Appendix A to this agreement sets forth the cost allocation methodologies which are used to assign charges to client companies.

Attachment B-1 is a complete list of the Duke Energy Kentucky affiliates within the Duke Energy holding company structure, including operating companies, which engage in nonregulated activity pursuant to KRS 278.010(21). The list identifies the affiliates by name and lists the state(s) in which the affiliates are registered to do business, the date of registration and status. As noted above, Duke Energy Kentucky provides services to, or receives services from, an affiliate listed in Attachment B-1 only to the extent that the affiliate has signed one of the service agreements described above.



AFFILIATE COMPANIES OF DUKE ENERGY KENTUCKY

<u>Company Name</u>	<u>Status</u>	<u>State</u>	<u>Reg. Date</u>	<u>Withdrawn Date</u>
Algonquin Gas Transmission, LLC	ACTIVE	Rhode Island	10/18/1949	
Algonquin Gas Transmission, LLC	ACTIVE	New Jersey	3/30/1950	
Algonquin Gas Transmission, LLC	ACTIVE	New York	10/23/1986	
Algonquin Gas Transmission, LLC	ACTIVE	Texas	9/23/1998	
Algonquin Gas Transmission, LLC	ACTIVE	Delaware	9/28/1949	
Algonquin Gas Transmission, LLC	ACTIVE	Connecticut	10/19/1949	
Algonquin Gas Transmission, LLC	ACTIVE	Massachusetts	5/23/1974	
Bison Insurance Company Limited	ACTIVE	Bermuda	12/11/1968	
Brownsville Power I, L.L.C.	ACTIVE	Delaware	7/13/1998	
Brownsville Power I, L.L.C.	ACTIVE	Tennessee	8/7/1998	
BSPE, L.P.	ACTIVE	Texas	1/16/2001	
BSPE, L.P.	ACTIVE	Delaware	1/16/2001	
BSPE General, LLC	ACTIVE	Texas	1/11/2001	
BSPE Holdings, LLC	ACTIVE	Delaware	1/10/2001	
BSPE Limited, LLC	ACTIVE	Delaware	1/10/2001	
Caledonia Power I, LLC	ACTIVE	Alabama	5/31/2001	
Caledonia Power I, LLC	ACTIVE	Delaware	7/13/1998	
Caledonia Power I, LLC	ACTIVE	Mississippi	8/10/1998	
CinCap IV, LLC	ACTIVE	Delaware	12/3/1997	
CinCap V, LLC	ACTIVE	Delaware	7/21/1998	
Cinergy Broadband, LLC	ACTIVE	Delaware	9/22/2003	
Cinergy-Cadence, Inc.	ACTIVE	Indiana	7/9/1997	
Cinergy-Cadence, Inc.	ACTIVE	Illinois	3/13/1998	
Cinergy-Cadence, Inc.	ACTIVE	Indiana	12/27/1989	7/9/1997
Cinergy Canada, Inc.	ACTIVE	Canada	4/20/2001	
Cinergy Capital & Trading, Inc.	ACTIVE	Pennsylvania	12/20/1999	9/17/2004
Cinergy Capital & Trading, Inc.	ACTIVE	Texas	8/28/1997	
Cinergy Capital & Trading, Inc.	ACTIVE	Indiana	7/9/1997	
Cinergy Capital & Trading, Inc.	ACTIVE	New York	2/12/1998	
Cinergy Capital & Trading, Inc.	ACTIVE	Ohio	5/5/1997	
Cinergy Capital & Trading, Inc.	ACTIVE	Connecticut	6/3/1997	
Cinergy Capital & Trading, Inc.	ACTIVE	Illinois	4/26/2001	
Cinergy Capital & Trading, Inc.	ACTIVE	Indiana	10/8/1992	7/9/1997
Cinergy-Centrus, Inc.	ACTIVE	Delaware	4/23/1998	
Cinergy-Centrus Communications, Inc.	ACTIVE	Ohio	10/2/1998	
Cinergy-Centrus Communications, Inc.	ACTIVE	Delaware	7/17/1998	
Cinergy Climate Change Investments, LLC	ACTIVE	Delaware	6/9/2003	
Cinergy Energy Solutions, Inc.	ACTIVE	Delaware	11/9/2000	
Cinergy EPCOM College Park, LLC	ACTIVE	Delaware	8/20/1999	
Cinergy EPCOM College Park, LLC	ACTIVE	Maryland	9/15/1999	
Cinergy e-Supply Network, LLC	ACTIVE	Delaware	8/10/2000	
Cinergy GASCO Solutions, LLC	ACTIVE	Delaware	11/9/2000	

Cinergy General Holdings, LLC	ACTIVE	Delaware	12/14/2001	
Cinergy General Holdings, LLC	ACTIVE	Texas	1/4/2002	
Cinergy Global Trading Limited	ACTIVE	England	5/25/1999	
Cinergy Investments, Inc.	ACTIVE	Ohio	12/10/1994	
Cinergy Investments, Inc.	ACTIVE	Kentucky	12/9/1994	12/10/1994
Cinergy Investments, Inc.	ACTIVE	Kentucky	12/10/1994	
Cinergy Investments, Inc.	ACTIVE	Ohio	12/9/1994	12/10/1994
Cinergy Investments, Inc.	ACTIVE	Delaware	10/24/1994	
Cinergy Investments, Inc.	ACTIVE	Indiana	5/23/1995	7/10/1997
Cinergy Investments, Inc.	ACTIVE	Indiana	7/10/1997	
Cinergy Limited Holdings, LLC	ACTIVE	Delaware	12/14/2001	
Cinergy Marketing & Trading, LP	ACTIVE	New Mexico	4/30/2002	
Cinergy Marketing & Trading, LP	ACTIVE	Arkansas	1/29/2003	
Cinergy Marketing & Trading, LP	ACTIVE	Oklahoma	4/23/2002	
Cinergy Marketing & Trading, LP	ACTIVE	Louisiana	4/23/2002	
Cinergy Marketing & Trading, LP	ACTIVE	California	4/24/2002	
Cinergy Marketing & Trading, LP	ACTIVE	Texas	4/23/2002	
Cinergy Marketing & Trading, LP	ACTIVE	Ohio	4/23/2002	
Cinergy Marketing & Trading, LP	ACTIVE	New Mexico	6/29/1999	4/23/2002
Cinergy Marketing & Trading, LP	ACTIVE	Oklahoma	6/23/1999	4/23/2002
Cinergy Marketing & Trading, LP	ACTIVE	Delaware	1/1/2002	
Cinergy Marketing & Trading, LP	ACTIVE	Iowa	11/17/1995	8/25/1999
Cinergy Marketing & Trading, LP	ACTIVE	Louisiana	1/1/1901	4/23/2002
Cinergy Marketing & Trading, LP	ACTIVE	Nebraska	11/28/1995	8/26/1999
Cinergy Marketing & Trading, LP	ACTIVE	California	6/23/1999	12/31/2001
Cinergy Marketing & Trading, LP	ACTIVE	Colorado	11/22/1995	8/23/1999
Cinergy Marketing & Trading, LP	ACTIVE	Delaware	10/27/1995	1/1/2002
Cinergy Mexico General, LLC	ACTIVE	Delaware	2/17/2004	
Cinergy Mexico Holdings, LP	ACTIVE	Delaware	2/20/2004	
Cinergy Mexico Limited, LLC	ACTIVE	Delaware	2/17/2004	
Cinergy Mexico Marketing & Trading, LLC	ACTIVE	Delaware	2/24/2004	
Cinergy Origination & Trade, LLC	ACTIVE	Delaware	10/19/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Pennsylvania	10/11/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Tennessee	4/3/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Texas	9/17/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Mississippi	4/2/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Ohio	4/2/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Oklahoma	10/11/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Kentucky	4/2/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Louisiana	2/23/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Michigan	2/23/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Delaware	11/22/2000	
Cinergy Power Generation Services, LLC	ACTIVE	Illinois	3/2/2001	
Cinergy Power Generation Services, LLC	ACTIVE	Indiana	4/2/2001	
Cinergy Power Investments, Inc.	ACTIVE	Kentucky	2/18/2002	
Cinergy Power Investments, Inc.	ACTIVE	Ohio	12/5/2000	
Cinergy Receivables Company LLC	ACTIVE	Delaware	1/10/2002	

Cinergy Receivables Company LLC	ACTIVE	Ohio	3/5/2002	
Cinergy Retail Power, L.P.	ACTIVE	New Jersey	12/5/2003	
Cinergy Retail Power, L.P.	ACTIVE	Texas	9/17/2001	
Cinergy Retail Power, L.P.	ACTIVE	Delaware	8/8/2001	
Cinergy Retail Power, L.P.	ACTIVE	Ohio	11/22/2002	
Cinergy Retail Power General, Inc.	ACTIVE	Texas	8/7/2001	
Cinergy Retail Power General, Inc.	ACTIVE	Ohio	11/22/2002	
Cinergy Retail Power Limited, Inc.	ACTIVE	Delaware	8/6/2001	
Cinergy Solutions O&M, LLC	ACTIVE	New Jersey	4/7/2006	
Cinergy Solutions O&M, LLC	ACTIVE	Kentucky	9/8/2004	
Cinergy Solutions O&M, LLC	ACTIVE	Georgia	9/2/2004	
Cinergy Solutions O&M, LLC	ACTIVE	Arkansas	9/2/2004	
Cinergy Solutions O&M, LLC	ACTIVE	Delaware	8/30/2004	
Cinergy Solutions O&M, LLC	ACTIVE	Mississippi	9/2/2004	
Cinergy Solutions of Boca Raton, LLC	ACTIVE	Florida	11/23/1998	
Cinergy Solutions of Boca Raton, LLC	ACTIVE	Delaware	10/16/2003	
Cinergy Solutions of Boca Raton, LLC	ACTIVE	Delaware	9/4/1998	
Cinergy Solutions of Cincinnati, LLC	ACTIVE	Ohio	7/29/1997	
Cinergy Solutions of Monaca, LLC	ACTIVE	Delaware	12/16/2003	
Cinergy Solutions of Monaca, LLC	ACTIVE	Pennsylvania	4/9/2004	
Cinergy Solutions of Narrows, LLC	ACTIVE	Delaware	3/17/2003	
Cinergy Solutions of Narrows, LLC	ACTIVE	Virginia	3/25/2003	
Cinergy Solutions of Philadelphia, LLC	ACTIVE	Pennsylvania	5/29/2001	
Cinergy Solutions of Philadelphia, LLC	ACTIVE	Delaware	5/11/2001	
Cinergy Solutions of Rock Hill, LLC	ACTIVE	Delaware	3/17/2003	
Cinergy Solutions of Rock Hill, LLC	ACTIVE	South Carolina	3/25/2003	
Cinergy Solutions of San Diego, Inc.	ACTIVE	California	2/3/2004	
Cinergy Solutions of San Diego, Inc.	ACTIVE	Delaware	1/9/2004	1/28/2004
Cinergy Solutions of San Diego, Inc.	ACTIVE	California	1/22/2004	1/28/2004
Cinergy Solutions of San Diego, Inc.	ACTIVE	Delaware	1/29/2004	
Cinergy Solutions of South Charleston, LLC	ACTIVE	Delaware	8/24/2004	
Cinergy Solutions of South Charleston, LLC	ACTIVE	West Virginia	8/27/2004	
Cinergy Solutions of St. Bernard, LLC	ACTIVE	Delaware	1/6/2003	
Cinergy Solutions of St. Bernard, LLC	ACTIVE	Ohio	1/9/2003	
Cinergy Solutions of St. Paul, LLC	ACTIVE	Delaware	8/13/1998	
Cinergy Solutions of St. Paul, LLC	ACTIVE	Minnesota	11/4/1998	
Cinergy Solutions of Tuscola, Inc.	ACTIVE	Delaware	10/13/1998	
Cinergy Solutions of Tuscola, Inc.	ACTIVE	Illinois	11/23/1998	
Cinergy Solutions Operating Services of Lansing, LLC	ACTIVE	Delaware	6/25/2002	
Cinergy Solutions Operating Services of Lansing, LLC	ACTIVE	Michigan	7/5/2002	
Cinergy Solutions Operating Services of Oklahoma, LLC	ACTIVE	Oklahoma	12/17/2002	
Cinergy Solutions Operating Services of Oklahoma, LLC	ACTIVE	Delaware	8/13/2002	
Cinergy Solutions Operating Services of Shreveport, LLC	ACTIVE	Delaware	6/28/2002	
Cinergy Solutions Operating Services of Shreveport, LLC	ACTIVE	Louisiana	7/3/2002	
Cinergy Solutions Partners, LLC	ACTIVE	Delaware	9/12/2000	
Cinergy Solutions - Utility, Inc.	ACTIVE	California	5/9/2005	
Cinergy Solutions - Utility, Inc.	ACTIVE	Ohio	12/14/2004	

Cinergy Solutions - Utility, Inc.	ACTIVE	Kentucky	4/26/2005	
Cinergy Solutions - Utility, Inc.	ACTIVE	Indiana	4/22/2005	
Cinergy Solutions - Utility, Inc.	ACTIVE	Delaware	9/27/2004	
Cinergy Supply Network, Inc.	ACTIVE	Delaware	1/14/1998	
Cinergy Supply Network, Inc.	ACTIVE	Indiana	10/27/1999	
Cinergy Supply Network, Inc.	ACTIVE	Pennsylvania	4/16/1999	
Cinergy Technologies, Inc.	ACTIVE	Delaware	7/26/2000	
Cinergy Technology, Inc.	ACTIVE	Ohio	8/3/1995	
Cinergy Technology, Inc.	ACTIVE	Indiana	12/12/1991	7/9/1997
Cinergy Technology, Inc.	ACTIVE	Indiana	7/9/1997	
Cinergy Technology, Inc.	ACTIVE	Ohio	8/2/1995	8/3/1995
Cinergy Telecommunications Holding Company, Inc.	ACTIVE	Kentucky	4/15/1998	
Cinergy Telecommunications Holding Company, Inc.	ACTIVE	Ohio	4/28/1998	
Cinergy Telecommunications Holding Company, Inc.	ACTIVE	Delaware	9/20/1996	
Cinergy Telecommunications Holding Company, Inc.	ACTIVE	Indiana	4/17/1998	
Cinergy Two, Inc.	ACTIVE	Delaware	11/6/2000	
Cinergy Ventures II, LLC	ACTIVE	Delaware	9/1/2000	
Cinergy Wholesale Energy, Inc.	ACTIVE	Illinois	3/1/2001	
Cinergy Wholesale Energy, Inc.	ACTIVE	Ohio	11/27/2000	
CinFuel Resources, Inc.	ACTIVE	Delaware	1/10/2002	
CinPower I, LLC	ACTIVE	Delaware	6/12/1998	
CinTec II LLC	ACTIVE	Delaware	12/23/2003	
CinTec I LLC	ACTIVE	Delaware	11/16/2000	
CinTec LLC	ACTIVE	Delaware	11/16/2000	
Crescent Resources, LLC	ACTIVE	Virginia		
Crescent Resources, LLC	ACTIVE	Alabama	6/3/2003	
Crescent Resources, LLC	ACTIVE	Arizona	7/16/2003	
Crescent Resources, LLC	ACTIVE	Texas		
Crescent Resources, LLC	ACTIVE	North Carolina	1/12/2001	
Crescent Resources, LLC	ACTIVE	District of Columbia	3/29/2001	
Crescent Resources, LLC	ACTIVE	Tennessee	10/5/2001	
Crescent Resources, LLC	ACTIVE	Georgia	12/31/2000	
Crescent Resources, LLC	ACTIVE	South Carolina	1/16/2001	
Crescent Resources, LLC	ACTIVE	Florida	3/26/2001	
CSGP General, LLC	ACTIVE	Texas	4/5/2001	
CSGP Limited, LLC	ACTIVE	Delaware	4/5/2001	
CSGP of Southeast Texas, LLC	ACTIVE	Texas	3/29/2001	
CSGP of Southeast Texas, LLC	ACTIVE	Delaware	2/22/2001	
CSGP of Southeast Texas, LLC	ACTIVE	Tennessee	3/29/2001	
CSGP Services, L.P.	ACTIVE	Texas	4/17/2001	
CSGP Services, L.P.	ACTIVE	Delaware	4/6/2001	
CST General, LLC	ACTIVE	Texas	5/22/2001	
CST Limited, LLC	ACTIVE	Delaware	5/18/2001	
Delta Township Utilities, LLC	ACTIVE	Michigan	7/13/2001	
Delta Township Utilities, LLC	ACTIVE	Delaware	7/5/2001	
Delta Township Utilities II, LLC	ACTIVE	Delaware	3/25/2004	
Delta Township Utilities II, LLC	ACTIVE	Michigan	4/8/2004	

DEMI Management, Inc.	ACTIVE	Wisconsin	8/15/1996	
DEMI Management, Inc.	ACTIVE	Wyoming	9/5/1995	
DEMI Management, Inc.	ACTIVE	Virginia	8/15/1996	
DEMI Management, Inc.	ACTIVE	Washington State	9/1/1994	
DEMI Management, Inc.	ACTIVE	West Virginia	9/6/1995	
DEMI Management, Inc.	ACTIVE	Tennessee	9/5/1995	
DEMI Management, Inc.	ACTIVE	Texas	10/11/1994	
DEMI Management, Inc.	ACTIVE	Utah	9/1/1994	
DEMI Management, Inc.	ACTIVE	Oregon	8/15/1996	
DEMI Management, Inc.	ACTIVE	Pennsylvania	4/27/1995	
DEMI Management, Inc.	ACTIVE	Rhode Island	8/15/1996	
DEMI Management, Inc.	ACTIVE	North Carolina	9/15/1997	
DEMI Management, Inc.	ACTIVE	Ohio	12/20/1995	
DEMI Management, Inc.	ACTIVE	Oklahoma	9/1/1994	
DEMI Management, Inc.	ACTIVE	New Jersey	4/20/1995	
DEMI Management, Inc.	ACTIVE	New Mexico	8/15/1996	
DEMI Management, Inc.	ACTIVE	New York	5/15/1996	
DEMI Management, Inc.	ACTIVE	Missouri	3/13/1995	
DEMI Management, Inc.	ACTIVE	Nebraska	8/16/1996	
DEMI Management, Inc.	ACTIVE	Nevada	5/8/1995	
DEMI Management, Inc.	ACTIVE	Michigan	8/21/1996	
DEMI Management, Inc.	ACTIVE	Minnesota	12/12/1994	
DEMI Management, Inc.	ACTIVE	Mississippi	3/21/1995	
DEMI Management, Inc.	ACTIVE	Maine	8/15/1996	
DEMI Management, Inc.	ACTIVE	Maryland	8/15/1996	
DEMI Management, Inc.	ACTIVE	Massachusetts	3/13/1995	
DEMI Management, Inc.	ACTIVE	Kansas	5/16/1995	10/3/2003
DEMI Management, Inc.	ACTIVE	Kentucky	3/13/1995	
DEMI Management, Inc.	ACTIVE	Louisiana	5/19/1995	
DEMI Management, Inc.	ACTIVE	Iowa	3/14/1995	
DEMI Management, Inc.	ACTIVE	Indiana	3/13/1995	
DEMI Management, Inc.	ACTIVE	Illinois	9/20/1995	
DEMI Management, Inc.	ACTIVE	Connecticut	8/3/1995	
DEMI Management, Inc.	ACTIVE	Florida	9/7/1995	
DEMI Management, Inc.	ACTIVE	Idaho	8/15/1996	
DEMI Management, Inc.	ACTIVE	Canada (British Columbia)	1/18/1995	
DEMI Management, Inc.	ACTIVE	California	9/1/1994	
DEMI Management, Inc.	ACTIVE	Colorado	6/21/1994	
DEMI Management, Inc.	ACTIVE	Canada (Alberta)	9/6/1994	
DEMI Management, Inc.	ACTIVE	Arkansas	3/15/1995	
DEMI Management, Inc.	ACTIVE	Alabama	10/26/1995	
Duke Capital LLC	ACTIVE	New York	9/15/1992	8/23/2001
Duke Capital LLC	ACTIVE	Delaware	2/1/1985	
Duke Capital LLC	ACTIVE	Texas	5/25/1999	
Duke Capital LLC	ACTIVE	North Carolina	11/12/1998	
Duke Energy Americas, LLC	ACTIVE	Texas	10/1/2004	
Duke Energy Americas, LLC	ACTIVE	Delaware	7/2/2004	

Duke Energy Business Services LLC	ACTIVE	North Carolina	11/29/1999	
Duke Energy Business Services LLC	ACTIVE	North Carolina	11/29/1999	
Duke Energy Business Services LLC	ACTIVE	District of Columbia	1/24/2001	
Duke Energy Business Services LLC	ACTIVE	Delaware	11/18/1998	
Duke Energy Business Services LLC	ACTIVE	Utah	2/15/2000	
Duke Energy Business Services LLC	ACTIVE	District of Columbia	1/24/2001	
Duke Energy Business Services LLC	ACTIVE	South Carolina	11/29/1999	
Duke Energy Business Services LLC	ACTIVE	Texas	1/11/2000	
Duke Energy Canada Call Co.	ACTIVE	Canada	9/14/2001	9/19/2001
Duke Energy Canada Call Co.	ACTIVE	Canada (Nova Scotia ULC)	9/14/2001	
Duke Energy Canada Call Co.	ACTIVE	Canada - Federal Laws	9/14/2001	9/19/2001
Duke Energy Canada Exchangeco Inc.	ACTIVE	Canada (Alberta)	2/11/2003	
Duke Energy Corporation	ACTIVE	Delaware	5/3/2005	
Duke Energy Engineering, Inc.	ACTIVE	Ohio	3/28/1997	3/29/1997
Duke Energy Engineering, Inc.	ACTIVE	Ohio	3/29/1997	
Duke Energy Engineering, Inc.	ACTIVE	Indiana	5/7/1997	
Duke Energy Engineering, Inc.	ACTIVE	Kentucky	5/7/1997	
Duke Energy Engineering, Inc.	ACTIVE	Maryland	5/2/2000	
Duke Energy Field Services, LLC	ACTIVE	Texas	4/5/2000	10/12/2000
Duke Energy Field Services, LLC	ACTIVE	Louisiana	4/18/2000	
Duke Energy Field Services, LLC	ACTIVE	Colorado	2/1/2001	
Duke Energy Field Services, LLC	ACTIVE	Delaware	12/15/1999	
Duke Energy Gas Transmission, LLC	ACTIVE	Delaware	7/1/2004	
Duke Energy Generation Services, Inc.	ACTIVE	Delaware	6/2/2000	
Duke Energy Global Markets, Inc.	ACTIVE	Nevada	8/2/1996	
Duke Energy Global Markets, Inc.	ACTIVE	Texas	12/17/2004	
Duke Energy International, LLC	ACTIVE	Texas	1/23/2004	
Duke Energy International, LLC	ACTIVE	Delaware	9/18/1997	
Duke Energy Marketing America, LLC	ACTIVE	Iowa	9/4/2003	
Duke Energy Marketing America, LLC	ACTIVE	North Dakota	8/13/2003	
Duke Energy Marketing America, LLC	ACTIVE	New Hampshire	8/22/2003	
Duke Energy Marketing America, LLC	ACTIVE	Nebraska	8/29/2003	
Duke Energy Marketing America, LLC	ACTIVE	Rhode Island	9/2/2003	
Duke Energy Marketing America, LLC	ACTIVE	District of Columbia	8/11/2003	
Duke Energy Marketing America, LLC	ACTIVE	North Carolina	8/7/2003	
Duke Energy Marketing America, LLC	ACTIVE	Vermont	8/7/2003	
Duke Energy Marketing America, LLC	ACTIVE	Utah	8/5/2003	
Duke Energy Marketing America, LLC	ACTIVE	Pennsylvania	6/24/2003	
Duke Energy Marketing America, LLC	ACTIVE	Wisconsin	8/7/2003	
Duke Energy Marketing America, LLC	ACTIVE	Massachusetts	8/6/2003	
Duke Energy Marketing America, LLC	ACTIVE	Minnesota	8/5/2003	
Duke Energy Marketing America, LLC	ACTIVE	South Carolina	8/6/2003	
Duke Energy Marketing America, LLC	ACTIVE	Missouri	7/22/2003	
Duke Energy Marketing America, LLC	ACTIVE	Maine	7/22/2003	
Duke Energy Marketing America, LLC	ACTIVE	Montana	7/22/2003	
Duke Energy Marketing America, LLC	ACTIVE	Idaho	7/14/2003	
Duke Energy Marketing America, LLC	ACTIVE	Virginia	7/10/2003	

Duke Energy Marketing America, LLC	ACTIVE	Indiana	7/22/2003	
Duke Energy Marketing America, LLC	ACTIVE	Florida	7/10/2003	
Duke Energy Marketing America, LLC	ACTIVE	Maryland	7/10/2003	
Duke Energy Marketing America, LLC	ACTIVE	Connecticut	7/10/2003	
Duke Energy Marketing America, LLC	ACTIVE	New Jersey	6/24/2003	
Duke Energy Marketing America, LLC	ACTIVE	Oregon	7/1/2003	
Duke Energy Marketing America, LLC	ACTIVE	California	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Wyoming	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	West Virginia	6/26/2003	
Duke Energy Marketing America, LLC	ACTIVE	Illinois	6/24/2003	
Duke Energy Marketing America, LLC	ACTIVE	New Mexico	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Washington State	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Arizona	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Nevada	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Ohio	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Arkansas	6/25/2003	
Duke Energy Marketing America, LLC	ACTIVE	Kansas	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Colorado	6/24/2003	
Duke Energy Marketing America, LLC	ACTIVE	New York	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Tennessee	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Alabama	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Louisiana	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Georgia	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Kentucky	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Michigan	6/24/2003	
Duke Energy Marketing America, LLC	ACTIVE	Mississippi	6/23/2003	
Duke Energy Marketing America, LLC	ACTIVE	Oklahoma	1/10/2001	
Duke Energy Marketing America, LLC	ACTIVE	Delaware	1/3/2001	
Duke Energy Marketing America, LLC	ACTIVE	Texas	11/20/2001	
Duke Energy Merchants, LLC	ACTIVE	Nova Scotia	4/12/2002	1/16/2006
Duke Energy Merchants, LLC	ACTIVE	New York	4/17/2002	8/1/2005
Duke Energy Merchants, LLC	ACTIVE	District of Columbia	2/5/2001	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Tennessee	4/19/2001	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Idaho	2/13/2001	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Kansas	3/21/2000	8/5/2005
Duke Energy Merchants, LLC	ACTIVE	New Hampshire	2/25/2000	9/30/2005
Duke Energy Merchants, LLC	ACTIVE	North Carolina	4/12/2001	10/25/2005
Duke Energy Merchants, LLC	ACTIVE	Maryland	2/23/2000	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	South Dakota	5/24/2000	7/14/2005
Duke Energy Merchants, LLC	ACTIVE	Maine	5/19/2000	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Pennsylvania	9/2/1999	
Duke Energy Merchants, LLC	ACTIVE	Massachusetts	10/18/1999	8/24/2005
Duke Energy Merchants, LLC	ACTIVE	Florida	2/25/2000	7/14/2005
Duke Energy Merchants, LLC	ACTIVE	Louisiana	10/6/1999	
Duke Energy Merchants, LLC	ACTIVE	Kentucky	9/8/1999	10/26/2005
Duke Energy Merchants, LLC	ACTIVE	Missouri	9/2/1999	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Oklahoma	7/16/1999	10/24/2005

Duke Energy Merchants, LLC	ACTIVE	Wyoming	7/29/1999	8/24/2005
Duke Energy Merchants, LLC	ACTIVE	Connecticut	9/2/1999	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	West Virginia	9/15/1999	
Duke Energy Merchants, LLC	ACTIVE	California	9/7/1999	
Duke Energy Merchants, LLC	ACTIVE	Texas	7/1/1999	
Duke Energy Merchants, LLC	ACTIVE	Rhode Island	10/26/1999	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Ohio	9/8/1999	10/26/2005
Duke Energy Merchants, LLC	ACTIVE	Mississippi	10/7/1999	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Delaware	4/23/1999	
Duke Energy Merchants, LLC	ACTIVE	Nebraska	5/23/2000	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Indiana	9/8/1999	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Alaska	2/14/2001	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	New Jersey	8/10/1999	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Georgia	2/22/2000	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	New Mexico	9/1/2000	7/14/2005
Duke Energy Merchants, LLC	ACTIVE	Colorado	9/1/2000	7/26/2005
Duke Energy Merchants, LLC	ACTIVE	Minnesota	8/29/2000	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Iowa	8/31/2000	5/23/2005
Duke Energy Merchants, LLC	ACTIVE	Montana	9/1/2000	3/9/2006
Duke Energy Merchants, LLC	ACTIVE	Illinois	6/15/2000	9/13/2005
Duke Energy Merchants, LLC	ACTIVE	Virginia	3/1/2000	11/7/2005
Duke Energy Merchants, LLC	ACTIVE	Arizona	8/29/2000	
Duke Energy Merchants, LLC	ACTIVE	Nevada	5/23/2000	
Duke Energy Merchants, LLC	ACTIVE	Alabama	3/8/2000	7/13/2005
Duke Energy Merchants, LLC	ACTIVE	Arkansas	3/10/2000	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Washington State	8/16/2000	
Duke Energy Merchants, LLC	ACTIVE	Wisconsin	3/10/2000	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Michigan	3/15/2000	7/12/2005
Duke Energy Merchants, LLC	ACTIVE	Oregon	8/16/2000	
Duke Energy Merchants, LLC	ACTIVE	South Carolina	3/15/2000	7/11/2005
Duke Energy Merchants, LLC	ACTIVE	Utah	8/16/2000	9/9/2005
Duke Energy Natural Gas Corporation	ACTIVE	Delaware	11/26/1985	
Duke Energy Natural Gas Corporation	ACTIVE	Colorado	12/17/1985	
Duke Energy Natural Gas Corporation	ACTIVE	Massachusetts	10/18/1999	
Duke Energy North America, LLC	ACTIVE	Texas	2/5/1999	
Duke Energy North America, LLC	ACTIVE	Nevada	5/5/2004	
Duke Energy North America, LLC	ACTIVE	Arkansas	8/5/2004	11/30/2004
Duke Energy North America, LLC	ACTIVE	North Carolina	1/27/1999	11/23/2004
Duke Energy North America, LLC	ACTIVE	Delaware	9/18/1997	
Duke Energy North America, LLC	ACTIVE	Florida	1/29/1999	11/22/2004
Duke Energy One, Inc.	ACTIVE	Kentucky	6/12/2001	
Duke Energy One, Inc.	ACTIVE	Delaware	9/5/2000	
Duke Energy One, Inc.	ACTIVE	Indiana	6/13/2001	
Duke Energy One, Inc.	ACTIVE	Ohio	6/12/2001	
Duke Energy Receivables Finance Company, LLC	ACTIVE	Delaware	7/16/2003	
Duke Energy Receivables Finance Company, LLC	ACTIVE	South Carolina	8/7/2003	
Duke Energy Receivables Finance Company, LLC	ACTIVE	North Carolina	8/7/2003	

Duke Energy Retail Sales, LLC	ACTIVE	New Jersey	12/15/2003
Duke Energy Retail Sales, LLC	ACTIVE	Ohio	1/28/2004
Duke Energy Retail Sales, LLC	ACTIVE	Illinois	2/10/2005
Duke Energy Retail Sales, LLC	ACTIVE	Delaware	12/9/2003
Duke Energy Royal, LLC	ACTIVE	Delaware	3/13/2002
Duke Energy Royal, LLC	ACTIVE	Georgia	8/28/2002
Duke Energy Royal, LLC	ACTIVE	Georgia	8/28/2002
Duke Energy Services, Inc.	ACTIVE	Delaware	6/8/1959
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Wisconsin	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Wyoming	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Virginia	8/16/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Washington State	8/23/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	West Virginia	9/10/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Tennessee	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Texas	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Utah	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Pennsylvania	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Rhode Island	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	South Carolina	8/25/1997
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Ohio	8/16/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Oklahoma	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Oregon	8/23/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	New Mexico	9/3/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	New York	8/22/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	North Carolina	9/2/1997
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Nebraska	8/16/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Nevada	8/28/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	New Jersey	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Minnesota	8/16/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Mississippi	8/22/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Missouri	7/7/1997
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Maryland	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Massachusetts	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Michigan	8/20/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Kentucky	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Louisiana	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Maine	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Indiana	8/16/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Iowa	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Kansas	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Georgia	8/26/1997
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Idaho	8/23/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Illinois	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Colorado	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Connecticut	8/19/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Florida	8/15/1996
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Arizona	8/26/1997

Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Arkansas	8/15/1996	
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	California	8/15/1996	
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Delaware	7/10/1996	
Duke Energy Trading and Marketing, L.L.C.	ACTIVE	Alabama	8/15/1996	
DukeNet Communications, LLC	ACTIVE	Florida	3/19/2002	
DukeNet Communications, LLC	ACTIVE	Florida	3/19/2002	
DukeNet Communications, LLC	ACTIVE	Florida	3/19/2002	
DukeNet Communications, LLC	ACTIVE	Georgia	3/19/2002	
DukeNet Communications, LLC	ACTIVE	Georgia	3/19/2002	
DukeNet Communications, LLC	ACTIVE	Delaware	12/15/2000	
DukeNet Communications, LLC	ACTIVE	North Carolina	1/19/2001	
DukeNet Communications, LLC	ACTIVE	South Carolina	3/6/2001	
Duke Power Company, LLC (f/k/a Duke Energy Corporation)	ACTIVE	North Carolina	11/27/1963	
Duke Power Company, LLC	ACTIVE	South Carolina	2/24/1964	
Duke Project Services, Inc.	ACTIVE	Mississippi	8/16/1999	
Duke Project Services, Inc.	ACTIVE	Missouri	9/29/1999	
Duke Project Services, Inc.	ACTIVE	Arizona	11/12/1999	
Duke Project Services, Inc.	ACTIVE	Nevada	11/12/1999	
Duke Project Services, Inc.	ACTIVE	Montana	7/20/2001	
Duke Project Services, Inc.	ACTIVE	Florida	11/4/1999	
Duke Project Services, Inc.	ACTIVE	Michigan	2/18/1999	7/5/2005
Duke Project Services, Inc.	ACTIVE	Florida	11/4/1999	6/28/2005
Duke Project Services, Inc.	ACTIVE	Montana	7/20/2001	
Duke Project Services, Inc.	ACTIVE	Arkansas	7/1/1966	
Duke Project Services, Inc.	ACTIVE	Kentucky	11/4/1999	
Duke Project Services, Inc.	ACTIVE	California	11/4/1999	
Duke Project Services, Inc.	ACTIVE	Georgia	12/28/1998	
Duke Project Services, Inc.	ACTIVE	Mississippi	8/16/1999	
Duke Project Services, Inc.	ACTIVE	Arkansas	7/1/1966	
Duke Project Services, Inc.	ACTIVE	Nevada	11/12/1999	
Duke Project Services, Inc.	ACTIVE	Arizona	11/12/1999	
Duke Project Services, Inc.	ACTIVE	Washington State	8/18/2001	
Duke Project Services, Inc.	ACTIVE	Florida	11/4/1999	
Duke Project Services, Inc.	ACTIVE	Montana	7/20/2001	
Duke Project Services, Inc.	ACTIVE	New Jersey	6/9/2000	
Duke Project Services, Inc.	ACTIVE	California	11/4/1999	
Duke Project Services, Inc.	ACTIVE	Oklahoma	11/15/1999	
Duke Project Services, Inc.	ACTIVE	Texas	12/15/1999	
Duke Project Services, Inc.	ACTIVE	Nevada	11/12/1999	
Duke Project Services, Inc.	ACTIVE	Ohio	2/17/1999	
Duke Project Services, Inc.	ACTIVE	Arizona	11/12/1999	
Duke Project Services, Inc.	ACTIVE	Illinois	11/12/1999	4/1/2002
Duke Project Services, Inc.	ACTIVE	Michigan	2/18/1999	
Duke Project Services, Inc.	ACTIVE	Indiana	2/16/1999	
Duke Project Services, Inc.	ACTIVE	Missouri	9/29/1999	
Duke Project Services, Inc.	ACTIVE	Kentucky	11/4/1999	
Duke Project Services, Inc.	ACTIVE	Mississippi	3/16/1999	

Duke Project Services, Inc.	ACTIVE	New Hampshire	6/30/2000	
Duke Project Services, Inc.	ACTIVE	Arkansas	7/1/1966	
Duke Project Services, Inc.	ACTIVE	Washington State	8/18/2001	
Duke Project Services, Inc.	ACTIVE	North Carolina	7/1/1966	
Duke Project Services, Inc.	ACTIVE	Georgia	12/28/1998	
Duke Project Services, Inc.	ACTIVE	Pennsylvania	10/25/1999	
Duke Ventures, LLC	ACTIVE	North Carolina	9/28/2001	
Duke Ventures, LLC	ACTIVE	Nevada	12/19/2000	
Duke Ventures, LLC	ACTIVE	Nevada	12/19/2000	
Duke Ventures, LLC	ACTIVE	North Carolina	9/28/2001	
Duke Ventures, LLC	ACTIVE	Nevada	12/19/2000	
East Tennessee Natural Gas, LLC	ACTIVE	North Carolina	2/19/2002	
East Tennessee Natural Gas, LLC	ACTIVE	Virginia	7/27/1964	
East Tennessee Natural Gas, LLC	ACTIVE	Georgia	9/20/1994	
East Tennessee Natural Gas, LLC	ACTIVE	Tennessee	4/1/1947	
East Tennessee Natural Gas, LLC	ACTIVE	Texas	3/4/1992	
Egan Hub Storage, LLC	ACTIVE	Delaware	12/31/2003	
Egan Hub Storage, LLC	ACTIVE	Louisiana	5/7/2004	
Energy Equipment Leasing LLC	ACTIVE	Delaware	11/12/1998	
Energy Equipment Leasing LLC	ACTIVE	Maryland	10/22/1999	
Energy Equipment Leasing LLC	ACTIVE	Florida	12/10/1999	
Environmental Wood Supply, LLC	ACTIVE	Minnesota	8/10/2000	
eVent Resources Holdings LLC	ACTIVE	Delaware	12/13/2000	
eVent Resources I LLC	ACTIVE	Delaware	11/17/2000	
eVent Resources I LLC	ACTIVE	Connecticut	12/12/2000	
Green Power G.P., LLC	ACTIVE	Texas	12/15/2000	
Green Power Holdings, LLC	ACTIVE	Delaware	12/12/2000	
Green Power Limited, LLC	ACTIVE	Delaware	12/12/2000	
KO Transmission Company	ACTIVE	Kentucky	4/11/1994	7/23/1997
KO Transmission Company	ACTIVE	Kentucky	7/23/1997	
Lansing Grand River Utilities, LLC	ACTIVE	Delaware	9/14/2000	
Lansing Grand River Utilities, LLC	ACTIVE	Michigan	4/2/2001	
LH1, LLC	ACTIVE	Maryland	7/11/2002	
LH1, LLC	ACTIVE	Delaware	1/10/2002	
M&N Management Company	ACTIVE	New Hampshire	1/31/1996	
M&N Management Company	ACTIVE	Delaware	1/16/1996	
M&N Management Company	ACTIVE	Maine	1/31/1996	
M&N Management Company	ACTIVE	Massachusetts	1/31/1996	
M&N Operating Company, LLC	ACTIVE	New Hampshire	1/31/1996	
M&N Operating Company, LLC	ACTIVE	Rhode Island	10/6/2004	
M&N Operating Company, LLC	ACTIVE	Delaware	1/16/1996	
M&N Operating Company, LLC	ACTIVE	Maine	1/31/1996	
M&N Operating Company, LLC	ACTIVE	Massachusetts	1/31/1996	
Market Hub Partners Canada L.P.	ACTIVE	Canada (Ontario)	7/19/2002	
Market Hub Partners Holding, LLC	ACTIVE	Texas	5/12/2004	
Market Hub Partners Holding, LLC	ACTIVE	Delaware	12/31/2003	
Market Hub Partners Holding, LLC	ACTIVE	Alabama	12/31/1998	2/20/2002

Market Hub Partners Holding, LLC	ACTIVE	New York	12/22/1998	10/15/2002
Market Hub Partners Holding, LLC	ACTIVE	Indiana	7/27/2000	2/20/2002
Market Hub Partners Holding, LLC	ACTIVE	Delaware	8/15/1984	12/31/2003
Market Hub Partners Holding, LLC	ACTIVE	Texas	9/13/1984	3/9/2004
Market Hub Partners Holding, LLC	ACTIVE	Louisiana	5/12/2004	
Moss Bluff Hub Partners, L.L.C.	ACTIVE	Delaware	12/31/1997	
Moss Bluff Hub Partners, L.L.C.	ACTIVE	Texas	3/3/1998	
Moss Bluff Hub Partners, L.P.	ACTIVE	Delaware	12/20/1994	
Moss Bluff Hub Partners, L.P.	ACTIVE	Texas	4/18/1995	
Oak Mountain Products, LLC	ACTIVE	Indiana	7/31/2001	2/1/2002
Oak Mountain Products, LLC	ACTIVE	Ohio	3/12/2003	
Oak Mountain Products, LLC	ACTIVE	Delaware	7/9/2001	
Oak Mountain Products, LLC	ACTIVE	Alabama	9/24/2001	
Oak Mountain Products, LLC	ACTIVE	Maryland	1/31/2002	
Ohio River Valley Propane, LLC	ACTIVE	Ohio	10/22/2001	
Ohio River Valley Propane, LLC	ACTIVE	Pennsylvania	10/22/2001	
Ohio River Valley Propane, LLC	ACTIVE	Delaware	10/18/2001	
Oklahoma Arcadian Utilities, LLC	ACTIVE	Delaware	12/5/2000	
Oklahoma Arcadian Utilities, LLC	ACTIVE	Oklahoma	12/12/2000	
Owings Mills Energy Equipment Leasing LLC	ACTIVE	Delaware	10/20/1999	
Owings Mills Energy Equipment Leasing LLC	ACTIVE	Maryland	10/26/1999	
PanEnergy Corp	ACTIVE	Delaware	1/26/1981	
PanEnergy Corp	ACTIVE	Texas	4/22/1981	
Pine Mountain Investments, LLC	ACTIVE	Delaware	1/19/2005	
Pine Mountain Products, LLC	ACTIVE	Delaware	8/19/2004	
Pine Mountain Products, LLC	ACTIVE	North Carolina	8/30/2004	
PSI Energy, Inc.	ACTIVE	Indiana	7/9/1997	
PSI Energy, Inc.	ACTIVE	District of Columbia	10/26/1989	
PSI Energy, Inc.	ACTIVE	Illinois	6/26/1996	
PSI Energy, Inc.	ACTIVE	Massachusetts	11/21/1996	
PSI Energy, Inc.	ACTIVE	New Hampshire	4/18/1996	
PSI Energy, Inc.	ACTIVE	Ohio	4/17/2003	
PSI Energy, Inc.	ACTIVE	Pennsylvania	4/29/1997	
PSI Energy, Inc.	ACTIVE	Texas	4/9/1997	
PSI Energy, Inc.	ACTIVE	Washington State	10/29/1996	
Reliant Services, LLC	ACTIVE	Indiana	6/25/1998	
Reliant Services, LLC	ACTIVE	Kentucky	10/6/1998	
Reliant Services, LLC	ACTIVE	Ohio	10/8/1998	
Shreveport Red River Utilities, LLC	ACTIVE	Delaware	10/16/2000	
Shreveport Red River Utilities, LLC	ACTIVE	Louisiana	10/23/2000	
South Construction Company, Inc.	ACTIVE	Indiana	5/31/1934	7/9/1997
South Construction Company, Inc.	ACTIVE	Indiana	7/9/1997	
South Houston Green Power, L.P.	ACTIVE	Delaware	12/19/2000	
South Houston Green Power, L.P.	ACTIVE	Texas	1/10/2001	
St. Paul Cogeneration, LLC	ACTIVE	Minnesota	12/18/1998	
SYNCAP II, LLC	ACTIVE	Delaware	10/13/2000	
Texas Eastern Transmission, LP	ACTIVE	West Virginia	6/18/2003	

Texas Eastern Transmission, LP	ACTIVE	Indiana	5/23/2001	
Texas Eastern Transmission, LP	ACTIVE	Kentucky	6/18/2001	
Texas Eastern Transmission, LP	ACTIVE	Missouri	4/29/2003	
Texas Eastern Transmission, LP	ACTIVE	Alabama	5/16/2001	
Texas Eastern Transmission, LP	ACTIVE	Arkansas	4/24/2001	
Texas Eastern Transmission, LP	ACTIVE	Illinois	10/29/2001	
Texas Eastern Transmission, LP	ACTIVE	Texas	4/24/2001	
Texas Eastern Transmission, LP	ACTIVE	West Virginia	1/30/1947	6/5/2003
Texas Eastern Transmission, LP	ACTIVE	Delaware	4/16/2001	
Texas Eastern Transmission, LP	ACTIVE	Ohio	4/17/2002	
Texas Eastern Transmission, LP	ACTIVE	Pennsylvania	4/24/2001	
Texas Eastern Transmission, LP	ACTIVE	Tennessee	1/30/1947	
Texas Eastern Transmission, LP	ACTIVE	Missouri	1/30/1947	4/29/2003
Texas Eastern Transmission, LP	ACTIVE	New Jersey	12/31/2001	
Texas Eastern Transmission, LP	ACTIVE	New York	7/30/2001	
Texas Eastern Transmission, LP	ACTIVE	Louisiana	4/26/2001	
Texas Eastern Transmission, LP	ACTIVE	Maryland	4/25/2001	
Texas Eastern Transmission, LP	ACTIVE	Mississippi	5/14/2001	
The Cincinnati Gas & Electric Company	ACTIVE	Ohio	7/11/1997	
The Cincinnati Gas & Electric Company	ACTIVE	Illinois	6/26/1996	
The Cincinnati Gas & Electric Company	ACTIVE	Indiana	7/20/1997	
The Cincinnati Gas & Electric Company	ACTIVE	Kentucky	7/23/1997	
The Cincinnati Gas & Electric Company	ACTIVE	Massachusetts	11/21/1996	
The Cincinnati Gas & Electric Company	ACTIVE	New Hampshire	4/18/1996	
The Cincinnati Gas & Electric Company	ACTIVE	Pennsylvania	4/29/1997	
The Cincinnati Gas & Electric Company	ACTIVE	Texas	4/9/1997	
The Cincinnati Gas & Electric Company	ACTIVE	Washington State	10/28/1996	
The Cincinnati Gas & Electric Company	ACTIVE	West Virginia	12/30/1997	
The Union Light, Heat and Power Company	ACTIVE	West Virginia	12/30/1997	
The Union Light, Heat and Power Company	ACTIVE	Ohio	2/28/2006	
The Union Light, Heat and Power Company	ACTIVE	Kentucky	3/20/1901	7/23/1997
The Union Light, Heat and Power Company	ACTIVE	Kentucky	7/23/1997	
Trigen/Cinergy - USFOS of Lansing LLC	ACTIVE	Delaware	11/3/1999	
Trigen/Cinergy - USFOS of Lansing LLC	ACTIVE	Michigan	11/10/1999	
Trigen-Cinergy Solutions LLC	ACTIVE	Delaware	2/18/1997	
Trigen-Cinergy Solutions of Ashtabula LLC	ACTIVE	Delaware	4/21/1999	
Trigen-Cinergy Solutions of Ashtabula LLC	ACTIVE	Ohio	4/28/1999	
Trigen-Cinergy Solutions of Lansing LLC	ACTIVE	Delaware	11/3/1999	
Trigen-Cinergy Solutions of Orlando LLC	ACTIVE	Delaware	6/12/1998	
Trigen-Cinergy Solutions of Orlando LLC	ACTIVE	Florida	9/21/1998	4/28/2005
Trigen-Cinergy Solutions of Owings Mills LLC	ACTIVE	Delaware	9/20/1999	
Trigen-Cinergy Solutions of Owings Mills LLC	ACTIVE	Maryland	10/5/1999	
Trigen-Cinergy Solutions of Rochester LLC	ACTIVE	Delaware	10/20/1999	
Trigen-Cinergy Solutions of Rochester LLC	ACTIVE	New York	10/25/1999	
Trigen-Cinergy Solutions of Silver Grove LLC	ACTIVE	Delaware	3/18/1999	
Trigen-Cinergy Solutions of Silver Grove LLC	ACTIVE	Kentucky	8/12/1999	
Trigen-Cinergy Solutions of Tuscola, LLC	ACTIVE	Delaware	8/21/1998	

Trigen-Cinergy Solutions of Tuscola, LLC	ACTIVE	Illinois	1/29/1999	
Tri-State Improvement Company	ACTIVE	Kentucky	7/23/1997	
Tri-State Improvement Company	ACTIVE	Ohio	1/14/1964	7/10/1997
Tri-State Improvement Company	ACTIVE	Ohio	7/10/1997	
Tri-State Improvement Company	ACTIVE	Indiana	12/2/1994	7/20/1997
Tri-State Improvement Company	ACTIVE	Indiana	7/20/1997	
Tri-State Improvement Company	ACTIVE	Kentucky	6/13/1974	7/23/1997
Union Gas Limited	ACTIVE	Canada (Ontario)	12/19/1911	
Union Gas Limited	ACTIVE	Canada (Alberta)	1/22/1998	
Westcoast Energy Inc.	ACTIVE	Yukon Territory	1/9/1973	
Westcoast Energy Inc.	ACTIVE	Canada (British Columbia)	11/25/1955	
Westcoast Energy Inc.	ACTIVE	Canada (Northwest Territories)	2/21/1973	
Westcoast Energy Inc.	ACTIVE	Canada (Ontario)	4/30/1949	
Westcoast Energy Inc.	ACTIVE	Canada	4/30/1949	
Westcoast Energy Inc.	ACTIVE	Canada (Alberta)	10/17/1952	

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C. A list of services and products provided by the utility, an identification of each as regulated or nonregulated, and the cost allocation method generally applicable to each category.

1. Regulated Services / Products offered by Duke Energy Kentucky

Duke Energy Kentucky offers several regulated services and products within the Commonwealth. Duke Energy Kentucky receives compensation for these services pursuant to Commission approval through its Demand-Side Management (“DSM”) tariff riders. These services include the following:

- Residential Conservation & Energy Education
- Refrigerator Replacement
- Home Energy House Call
- Power Manager (Direct Load Control)
- Residential Comprehensive Energy Education Program (NEED)
- Energy Education & Bill Assistance (Payment Plus)
- Energy Efficiency Website
- Energy Assistance Program
- Personalized Energy Report
- Small C&I rebate program
- Energy Star Products
- Gas Weatherization Program
- PilotLite⁹

⁹ Duke Energy Kentucky’s PilotLite program is operated pursuant to Public Service Commission approval rather than by tariff.

Attachment C-1 contains a description of the regulated products/ services offered by Duke Energy Kentucky. With the exception of the PilotLite program, all of the above regulated programs are part of Duke Energy Kentucky's DSM Program. Since 1996, Duke Energy Kentucky has used the DSM Riders to recover the direct costs associated with its regulated DSM programs. In this way, Duke Energy Kentucky's customers are only charged for the costs that are actually incurred to deliver Duke Energy Kentucky's DSM programs. The riders are based on Duke Energy Kentucky's forecasted (budget) costs. Duke Energy Kentucky reconciles the rider on an annual basis and any over or under-collections of rider revenues are reflected in the next annual filing. The costs are allocated to the program participants by rate/ revenue class.

PilotLite is a service offered to customers and provided by request. Costs are charged directly to customers requesting the service.

In addition to these DSM products and services, Duke Energy Kentucky offers various tariffed gas and electric services. The Company's tariffs are publicly filed with the Commission. The costs for these services are allocated to customer class pursuant to cost of service studies approved by the Commission in the company's rate proceedings.

2. Nonregulated Products and Services offered by Duke Energy Kentucky

Attachment C-1 also contains a description of the nonregulated products/ services offered by Duke Energy Kentucky. Duke Energy Kentucky offers two nonregulated products/ services in the Commonwealth: (1) Underground Protection; and (2) Residential Strike Stop. These services are operated by Duke Energy One, Inc., a non-regulated affiliate pursuant, to the Operating Company/ Nonutility Companies Service Agreement. *Attachment E-1*. Costs are directly assigned to customers on a one-to-one basis.

**REGULATED AND NONREGULATED SERVICES AND PRODUCTS OF
DUKE ENERGY KENTUCKY**

Residential Conservation & Energy Education (low-income weatherization)

This program provides energy savings installations and energy education in homes of gas & electric customers in the Kentucky service territory that qualify at 150% of federal income poverty guidelines. Only those measures critical to the energy efficiency of the dwelling and its effect on the health and safety of the occupants shall be provided.

The services performed are based on the home's specific energy usage and weatherization needs. Customers receive a furnace or heat pump clean and tune, energy-efficient light bulbs, energy-saving tips and if needed, a hot water heater wrap, weather stripping and pipe wrap. Depending on the condition of the home and its energy usage, other services may include duct sealing, wall and attic insulation and other air leakage sealing measures.

Refrigerator Replacement Program (tied to Weatherization program above)

Duke Energy Kentucky offers free installation of energy-efficient refrigerators for those customers meeting income qualifying guidelines and who own single-family homes and participate in the weatherization program.

Residential Home Energy House Call

The Home Energy House Call program is a free service for Duke Energy customers that will provide personalized energy information unique to a customer's home and energy practices. A trained energy specialist will visit the home to conduct a thorough in-home analysis. The energy specialist will:

- Analyze the total home energy usage
- Check the home for air leaks
- Examine insulation levels
- Review appliances and heating/cooling system

From the information collected, a custom-tailored report detailing steps to increase efficiency and reduce energy bill is prepared and mailed to the customer within 10 days.

Power Manager (Direct Load Control)

Power Manager is a voluntary program that provides an economic incentive to customers for reducing air conditioning use during peak demand periods. Duke Energy installs a switch, at no cost to the customer, next to the air-conditioner unit outside of the home. This device will cycle the air conditioner off and on during the occasional summer hours when the demand for electricity is the highest. These cycling events are most likely to occur on weekdays, Monday through Friday, between mid-morning and early evening, during the summer months of May through September. The air conditioner is cycled off and then back on, at thirty-minute interval for the length of the cycling event. The Power Manager Program incentive is paid annually and may include up to a \$35 installation credit.

Residential Comprehensive Energy Education Program (NEED)

NEED provides training, support and curriculum materials for teachers along with hands-on energy efficiency kits for student inquiry studies.

Energy Education & Bill Assistance (Payment Plus)

Income qualified education and arrearage forgiveness program involving energy education, financial management and weatherization services in the homes of customers who are randomly chosen from a pool of customers who qualify at 150% of federal income guidelines, have a 12 month continuous billing history and have at least a \$500.00 arrearage balance. This pilot is developed to help customers reduce their bills and gain control of financial condition while allowing the utility to avoid disconnects, reduce write-offs.

Energy Efficiency Website

Customers can complete an online Quick-e-audit and receive a free energy efficiency kit. The Quick-e-Audit provides customized energy usage projections for a customer's home.

Energy Assistance Program

Provides gas and electric assistance to for lower income customers that have incomes that range fro 150% to 200% of poverty level guidelines. This program will be ending 12-31-06.

Gas Weatherization

This program is designed for income-eligible gas customers to receive free home weatherization. ULH&P has designated funds specifically for improving the energy efficiency of customers' homes and helping them reduce their monthly gas heating bills.

The services performed are based on the home's specific energy usage and weatherization needs. Typical services may include: energy-saving tips, a hot water heater wrap, weather stripping and pipe wrap. Depending on the condition of your home and its energy usage, other services may include duct sealing, wall and attic insulation and other air leakage sealing measures.

Personalized Energy Report

The Personalized Energy Report (PER) will provide Duke Energy Kentucky's customers with a customized report aimed at helping them better manage their energy costs. Participants will receive energy tips and information regarding how they personally use energy in their home. In addition, they receive an "Energy Efficiency Starter Kit" which consists of nine easily installed measures. Both the energy survey completed by the customer and the personalized energy report generated from the survey are educational tools developed to stimulate the customer to think about how they use energy and provide them with tools and information to lower their energy costs.

Small Commercial/Industrial Energy Efficiency Incentive Program:

Duke Energy offers cash incentives to its Commercial and Industrial customers to encourage the purchase and installation of high efficiency equipment. These incentives are available for the installation of high efficiency lighting fixtures, motors and cooling systems.

To qualify customers must:

- Be a non-residential Duke Energy electric customer not in rate group TT (Time-of-Day Rate for Service at Transmission Voltage.)

- Submit an application to the Company within 90 days after new equipment is installed and operational.

Energy Star®

Duke Energy is partnering with the U.S. Environmental Protection Agency and the Department of Energy to encourage builders to incorporate Energy Star® criteria in their new home construction. Energy Star® labeled homes incorporate energy savings in design and construction and use 30% less energy for heating, cooling and water heating. The average family can save about \$420 per year with an Energy Star® home. Duke Energy pays for the cost of the ES inspection up to \$300.

PilotLite

This is a regulated service provided through Duke Energy Ohio and Kentucky that assists customers that need help lighting a pilot light or require minor repairs to their gas appliances. Customers can request this service 24 hours a day for the charge for lighting 2 pilot lights is \$50 with each additional \$25. Thermocouple replacement is \$17. Revenue is split 50-50 with the Company's service delivery organization.

Residential StrikeStop

This program provides a residential surge protection device that is installed behind the customer's electric meter. The surge protector is sold to the homeowner (approximately \$168) on term that can extend to 24 months. The program also includes monetary coverage component which protects homeowners from surge damage that enters the home, but doesn't pass through the StrikeStop device. Monetary coverage is \$1.99 per month for as long as the customer wants protection.

Electric Underground Protection Program

In the Ohio and Kentucky territories, the underground electrical service line from the transformer or junction box to the meter is the customer's responsibility. The Company's Underground Protection Program allows the customer to pay \$2.99 per month for coverage. If the underground service line fails, the Company will repair the line at no cost to the customer with coverage limited to \$3,000.

KRS 278.2205(2)(d)

D. A list of incidental, nonregulated activities that are subject to the provisions of KRS 278.2203(4).¹⁰

Attachment D-1 consists of a list of incidental and nonregulated activities of Duke Energy Kentucky, as reported previously in the Company's annual report for the calendar year 2005. The list includes a description of the activity as well as a total of the nonregulated revenue to Duke Energy Kentucky for the calendar year 2005. The incidental non-regulated activities described in the following document are reasonably related to Duke Energy Kentucky's regulated services because these activities all involve services that either: (1) are closely associated with Duke Energy Kentucky's supplying and delivering gas and electric service to customers; (2) facilitate use of Duke Energy Kentucky's trenches to cable and telecom providers; or (3) provide for revenue from leasing excess utility facilities. When Duke Energy Kentucky prepared its annual report for the calendar year 2005, it determined that the revenue from these activities exceeded \$1 million; therefore, Duke Energy Kentucky was required to file this CAM within 60 days.

¹⁰ Notwithstanding subsections (1) to (3) of this section, a utility may report an incidental nonregulated activity as a regulated activity if:

- (a) The revenue from the aggregate total of the utility's nonregulated incidental activities does not exceed the lesser of two percent (2%) of the utility's total revenue or one million dollars (\$1,000,000) annually; and
- (b) The nonregulated activity is reasonably related to the utility's regulated activity. KY. REV. STAT. ANN. § 278.2203(4) (Banks-Baldwin 2006).

INCIDENTAL AND NONREGULATED ACTIVITIES OF DUKE ENERGY KENTUCKY¹¹

Activity	Revenues
Gas Curb to Meter & Misc Replacement & Repair Optional service offered to customers who need to have their customer-owned curb-to-meter service line replaced, maintained or repaired.	19,057
Joint Underground Trench – Telephone, internet and cable wiring. Offers telecom and cable providers the option of placing their facilities in the same underground trench as those of the Company.	747,899
Pilot Lights Optional service offered to customers whose furnace or water heater pilot light needs to be re-lit. Usually offered when customer smells gas and calls the Company to investigate where the cause of the gas odor is an unlit pilot light.	2,167
Pole Sets Optional service offered to private “utility pole” owners whereby the Company will use its equipment and expertise to set a customer-owned pole into the ground.	86,438
Property Management - Lease/rental General lease of Company land to another.	783,451
Repair Underground Electric - Permanent/Temp Service Optional service offered to customers who need to have their customer-owned underground electric line replaced, maintained or repaired.	10,675
Testing, Removal and Relocation of Energy Facilities	4,193
Relocate Transformer	1,400
Underground Repair Protection	4,584
Total 2005 Duke Energy Kentucky Nonutility/Non-Regulated Revenue	1,659,863
Total 2005 Duke Energy Kentucky Revenue	387,239,729
Non-Utility/Non-Regulated % of Total Revenue	0.43%

¹¹ 2005 Annual Report for Union Light Heat and Power Company, filed March 31, 2006.

KRS 278.2205(2)(e)

E. A description of the nature of transactions between the utility and the affiliate.

1. Services and Transactions Between Duke Energy Kentucky and Non-utility Affiliates

Duke Energy Kentucky and its non-utility affiliates are authorized to provide services to/ from each other pursuant to the Operating Company/ Nonutility Companies Service Agreement.

*Attachment E-1.*¹² The services provided by Duke Energy Kentucky to its non-utility affiliates may include, but are not limited to the following:

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

By the terms of the Operating Company/ Nonutility Companies Service Agreement, requests for services will be made in writing, in substantially the same form as set forth in “Exhibit A” of the Agreement. Compensation for any service rendered between Duke Energy Kentucky and its non-utility affiliates are the fully embedded cost thereof (*i.e.*, the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code. As soon as practicable after the close of each month, the affiliate utility which

¹² At the time of this filing, the Operating Company/ Nonutility Companies Service Agreement is still in the process of being executed by the many affiliated non-utility companies. Duke Energy Kentucky has provided a copy of the unexecuted document.

provides such services renders to each non-utility affiliate receiving such service, a statement reflecting the billing information necessary to identify the costs charged for that month.

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

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

By the terms of the agreement, requests for services will be made in writing, in substantially the same form as set forth in the agreement. Compensation for any service rendered between Duke Energy Kentucky and its non-utility affiliates is the fully embedded cost thereof (*i.e.*, the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code. As soon as practicable after the close of each month, the non-utility affiliate which provides such services will render to each utility affiliate receiving such service, a statement reflecting the billing information necessary to identify the costs charged for that month.

2. Services and Transactions Between Duke Energy Kentucky and Utility Affiliates

Duke Energy Kentucky and certain of its regulated utility affiliates provide and receive services to or from each other in the normal course of conducting business. These services are provided pursuant to an Operating Companies Service Agreement. *Attachment E-2*. The services which may be provided between affiliate operating companies may include, but are not limited to the following:

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

By the terms of the Operating Companies Service Agreement, compensation for any service rendered between utility affiliates is the fully embedded cost thereof (*i.e.*, the sum of: (i) direct costs, (ii) indirect costs and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code. As soon as practicable after the close of each month, the affiliate utility which provides such services will render to each utility affiliate receiving such service, a statement reflecting the billing information necessary to identify the costs charged for that month

3. Services Provided By Duke Energy Shared Services and Duke Energy Business Services, LLC to Duke Energy Kentucky

Duke Energy Shared Services, and Duke Energy Business Services, LLC provide a variety of administrative, management and support services to their utility affiliates, including Duke Energy Kentucky. These services are performed pursuant to the Service Company Utility Service Agreement. *Attachment E-3*. Services provided by the service companies include, but are not limited to the following:

- Information and Telecommunication Services;
- Engineering;
- Construction;
- Real Estate;
- Accounting and Finance;
- Marketing and Customer Relations;
- Human Resources;
- Purchasing and Materials management;
- Legal;
- Rates;
- Public and Government Affairs;
- Facility and Security Management;
- Internal Auditing;
- Environmental Affairs;
- Executive;
- Fuels;
- Planning;

- Transportation; and
- Investor and Shareholder Relations.

By the terms of the Service Company Utility Service Agreement, compensation for any service rendered by the Service Company to its utility affiliates is the fully embedded cost thereof (*i.e.*, the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code. As soon as practicable after the close of each month, the Service Company will render to each utility affiliate receiving such service, a statement reflecting the billing information necessary to identify the costs charged for that month.

Attachment E-4 consists of a list of recent transactions/ services provided by Duke Energy Kentucky for its then Cinergy affiliates, and services provided by the affiliates to Duke Energy Kentucky, prior to the consummation of the merger.

**OPERATING COMPANY/NONUTILITY COMPANIES
SERVICE AGREEMENT**

This Operating Company/Nonutility Companies Service Agreement (this "Agreement") is made and entered into as of April 3, 2006 (the "Effective Date") by and among The Union Light, Heat and Power Company, a Kentucky corporation ("Operating Company"), and the respective associate nonutility companies listed on the signature pages hereto (each, a "Nonutility Company").

WITNESSETH:

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

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

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

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

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

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

ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES

Section 1.1 Provision of Services.

(a) Upon receipt by a party hereto (in such capacity, a "Service Provider") of a written request in substantially the form attached hereto as Exhibit A (a "Service Request") from another party hereto (in such capacity, a "Client Company") for the provision to such Client Company of such services as are specified therein, including if applicable use of any related equipment, facilities, properties or other resources (collectively, "Services"), the Service Provider, if in its sole discretion it has available the personnel or other resources needed to perform the Service Request without impairment of its utility responsibilities or business operations, as the case may be, shall furnish such Services to the Client Company at such times, for such periods and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions hereof.

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

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

Section 1.2 Loaned Employees.

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

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

ARTICLE 2. SERVICE REQUESTS

Section 2.1 Procedure. All Services (including any loans of employees) (i) shall be performed in accordance with Service Requests issued by or on behalf of Client Company and accepted by Service Provider and (ii) shall be assigned to applicable activities, processes, projects, responsibility centers or on other appropriate bases to enable specific work to be properly assigned. Service Requests shall be as specific as practicable in defining the Services requested. Client Company shall have the right from time to time to amend or rescind any Service Request, *provided* that (a) Service Provider consents to any amendment that results in a material change in the scope of

Services to be provided, (b) the costs associated with an amended or rescinded Service Request shall include the costs incurred by Service Provider as a result of such amendment or rescission, and (c) no amendment or rescission of a Service Request shall release Client Company from any liability for costs already incurred or contracted for by Service Provider pursuant to the original Service Request, regardless of whether any labor or the furnishing of any property or other resources has been commenced or completed.

ARTICLE 3. COMPENSATION FOR SERVICES

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

ARTICLE 4. LIMITATION OF LIABILITY; INDEMNIFICATION

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

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

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

THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

Section 4.4 Indemnification.

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

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

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

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

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

(ii) Notwithstanding any other provision hereof, in circumstances where a Nonutility Company is a Service Provider (*i.e.*, where Operating Company is the Client Company), under no

circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

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

ARTICLE 5. MISCELLANEOUS

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

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

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

Section 5.4 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto (including that certain Services Agreement between Operating Company and certain nonutility subsidiaries of Cinergy Corp. dated May 14, 1999). Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

THE UNION LIGHT, HEAT AND POWER COMPANY

By: _____
Richard G. Beach
Assistant Secretary

CINERGY CORP.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY INVESTMENTS, INC.

By: _____
Jeff Gollomp
Vice President

KO TRANSMISSION COMPANY

By: _____
Richard G. Beach
Assistant Secretary

TRI-STATE IMPROVEMENT COMPANY

By: _____
Richard G. Beach
Assistant Secretary

SOUTH CONSTRUCTION COMPANY, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY CAPITAL & TRADING, INC.

By: _____
Jeff Gollomp
Vice President

CINCAP IV, LLC
(by Cinergy Capital & Trading, Inc. its Managing Member)

By: _____
Jeffrey A. Gollomp
Vice President

CINCAP V, LLC
(by Cinergy Capital & Trading, Inc. its Managing Member)

By: _____
Jeffrey A. Gollomp
Vice President

CINPOWER I, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY MARKETING & TRADING, LP
(formerly Cinergy Marketing & Trading, LLC)

By: _____
Jeff Gollomp
Vice President

DUKE ENERGY ENGINEERING, INC.
(formerly Cinergy Engineering, Inc.)

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY GENERATION SERVICES
HOLDING COMPANY, INC.
(formerly Cinergy Solutions Holding Company, Inc.)

By: _____
Jeff Gollomp
Vice President

TRIGEN-CINERGY SOLUTIONS LLC

By: _____
Richard G. Beach
Assistant Secretary

TRIGEN-CINERGY SOLUTIONS OF ORLANDO LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SUPPLY NETWORK, INC.

By: _____
Richard G. Beach
Assistant Secretary

RELIANT SERVICES, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY TECHNOLOGY, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF TUSCOLA, INC.

By: _____
George Dwight, II
Assistant Secretary

ENERGY Equipment Leasing LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF BOCA RATON, LLC
(formerly Trigen-Cinergy Solutions of Boca Raton, LLC)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF CINCINNATI LLC
(formerly Trigen-Cinergy Solutions of Cincinnati LLC)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF ST. PAUL LLC

By: _____
Richard G. Beach
Assistant Secretary

TRIGEN-CINERGY SOLUTIONS OF TUSCOLA, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY ENERGY SOLUTIONS, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY GASCO SOLUTIONS, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY ONE, INC.
(formerly Cinergy One, Inc.)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY POWER GENERATION SERVICES, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY POWER INVESTMENTS, INC.

By: _____
Jeffrey A. Gollomp
Vice President

DUKE ENERGY GENERATION SERVICES, INC.
(formerly Cinergy Solutions, Inc.)

By: _____
George Dwight, II
Assistant Secretary

CINERGY TECHNOLOGIES, INC.
(formerly Cinergy Ventures Holding Company, Inc.)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY VENTURES II, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY WHOLESALE ENERGY, INC.

By: _____
Jeffrey A. Gollomp
Assistant Secretary

CINTEC LLC
(formerly CinTech LLC)

By: _____
Richard G. Beach
Assistant Secretary

CINTEC I LLC
(formerly CinTech I LLC)

By: _____
Richard G. Beach
Assistant Secretary

EVENT RESOURCES I LLC
(formerly Event Capital I LLC)

By: _____
Richard G. Beach
Assistant Secretary

LANSING GRAND RIVER UTILITIES, LLC

By: _____
Richard G. Beach
Assistant Secretary

OKLAHOMA ARCADIAN UTILITIES, LLC

By: _____
Richard G. Beach
Assistant Secretary

SHREVEPORT RED RIVER UTILITIES, LLC

By: _____
Richard G. Beach
Assistant Secretary

SYNCAP II, LLC

By: _____
Richard G. Beach
Assistant Secretary

TCS-USFOS OF LANSING LLC

By: _____
Richard G. Beach
Assistant Secretary

BSPE, L.P.

By: _____
M. Stephen Harkness
Authorized Representative

BSPE GENERAL, LLC

By: _____
M. Stephen Harkness
Authorized Representative

BSPE HOLDINGS, LLC

By: _____
M. Stephen Harkness
Authorized Representative

BSPE LIMITED, LLC

By: _____
M. Stephen Harkness
Authorized Representative

BROWNSVILLE POWER I, LLC

By: _____
Jeffrey A. Gollomp
Vice President

CSGP OF SOUTHEAST TEXAS, LLC

By: _____
Richard G. Beach
Assistant Secretary

CALEDONIA POWER I, LLC

By: _____
Jeffrey A. Gollomp
Vice President

OWINGS MILLS ENERGY EQUIPMENT LEASING, LLC

By: _____
Richard G. Beach
Assistant Secretary

SOUTH HOUSTON GREEN POWER, L.P.
(formerly Green Power, L.P.)

By: _____
M. Stephen Harkness
Authorized Representative

TRIGEN - CINERGY SOLUTIONS OF OWINGS MILLS LLC

By: _____
Richard G. Beach
Assistant Secretary

CST LIMITED, LLC

By: _____
Richard G. Beach
Assistant Secretary

CST GENERAL, LLC

By: _____
Richard G. Beach
Assistant Secretary

CSGP LIMITED, LLC

By: _____
Richard G. Beach
Assistant Secretary

CSGP SERVICES, L.P.
(by CSGP General, LLC its General Partner)

By: _____
Richard G. Beach
Assistant Secretary

CSGP GENERAL, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY CANADA, INC.

By: _____
Jeffrey A. Gollomp
Vice President

CINERGY GLOBAL TRADING LIMITED

By: _____
Julia S. Janson
Secretary

CINERGY ORIGINATION & TRADE, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF PHILADELPHIA, LLC

By: _____
Richard G. Beach
Assistant Secretary

OHIO RIVER VALLEY PROPANE, LLC
(formerly Cinergy Propane, LLC)

By: _____
Jeffrey A. Gollomp
Vice President

CINERGY RETAIL POWER LIMITED, INC.

By: _____
Jeffrey A. Gollomp
Vice President

CINERGY RETAIL POWER GENERAL, INC.

By: _____
Jeffrey A. Gollomp
Vice President

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

By: _____
Richard G. Beach
Assistant Secretary

DELTA TOWNSHIP UTILITIES, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY LIMITED HOLDINGS, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY GENERAL HOLDINGS, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY RECEIVABLES COMPANY LLC

By: _____
Kimberely K. Sipes
Treasurer

CINFUEL RESOURCES, INC.

By: _____
Jeffrey A. Gollomp
Vice President

LH1, LLC

By: _____
George Dwight, II
Assistant Secretary

OAK MOUNTAIN PRODUCTS, LLC

By: _____
George Dwight, II
Assistant Secretary

CINERGY SOLUTIONS OPERATING SERVICES
OF LANSING, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OPERATING SERVICES OF SHREVEPORT, LLC

By: _____

Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OPERATING SERVICES OF OKLAHOMA, LLC

By: _____

Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF NARROWS, LLC

By: _____

Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF ROCK HILL, LLC

By: _____

Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF ST. BERNARD, LLC

By: _____

Richard G. Beach
Assistant Secretary

CINERGY CLIMATE CHANGE INVESTMENTS, LLC

By: _____

Jeffrey A. Gollomp
Assistant Secretary

DUKE ENERGY RETAIL SALES, LLC
(formerly Cinergy Retail Sales, LLC)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF MONACA, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINTEC II LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY MEXICO LIMITED, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY MEXICO GENERAL, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY MEXICO HOLDINGS, L.P.
(by *Cinergy Mexico General, LLC its General Partner*)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY MEXICO MARKETING & TRADING, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS OF SAN DIEGO, INC.
(formerly Cinergy Solutions of San Diego, LLC)

By: _____
George Dwight, II
Assistant Secretary

CINERGY SOLUTIONS OF SOUTH CHARLESTON, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS – UTILITY, INC.

By: _____
George Dwight, II
Assistant Secretary

CINERGY SOLUTIONS O&M, LLC

By: _____
Richard G. Beach
Assistant Secretary

DELTA TOWNSHIP UTILITIES II, LLC

By: _____
Richard G. Beach
Assistant Secretary

PINE MOUNTAIN INVESTMENTS, LLC

By: _____
George Dwight, II
Assistant Secretary

PINE MOUNTAIN PRODUCTS, LLC

By: _____
George Dwight, II
Assistant Secretary

ENVIRONMENTAL WOOD SUPPLY, LLC

By: _____
G. Roger Daniel
Treasurer

CINERGY SOLUTIONS OPERATING SERVICES
OF DELTA TOWNSHIP, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY BROADBAND, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY-CADENCE, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY-CENTRUS, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY-CENTRUS COMMUNICATIONS, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY EPCOM COLLEGE PARK LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY E-SUPPLY NETWORK, LLC

By: _____
Richard G. Beach
Assistant Secretary

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

By: _____
George Dwight, II
Assistant Secretary

CINERGY TELECOMMUNICATIONS HOLDING CO., INC.
(formerly Cinergy Communications, Inc.)

By: _____
Richard G. Beach
Assistant Secretary

CINERGY TWO, INC.

By: _____
Richard G. Beach
Assistant Secretary

GREEN POWER G.P., LLC

By: _____
M. Stephen Harkness
Authorized Representative

GREEN POWER HOLDINGS, LLC

By: _____
M. Stephen Harkness
Authorized Representative

GREEN POWER LIMITED, LLC

By: _____
M. Stephen Harkness
Authorized Representative

ST. PAUL COGENERATION LLC

By: _____
M. Stephen Harkness
President

TRIGEN-CINERGY SOLUTIONS OF ASHTABULA LLC

By: _____
Richard G. Beach
Assistant Secretary

TRIGEN-CINERGY SOLUTIONS OF LANSING LLC

By: _____
Richard G. Beach
Assistant Secretary

TRIGEN-CINERGY SOLUTIONS OF ROCHESTER LLC

By: _____
Richard G. Beach
Assistant Secretary

TRIGEN-CINERGY SOLUTIONS OF SILVER GROVE LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY CORPORATION

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE CAPITAL LLC

By: _____
Richard G. Beach
Assistant Secretary

BISON INSURANCE COMPANY LIMITED

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE ENERGY AMERICAS, LLC

By: _____
Curtis H. Davis
Group Vice President – Energy Generation

DUKE ENERGY GLOBAL MARKETS, INC.

By: _____
Curtis H. Davis
Group Vice President – Energy Generation

DUKE ENERGY ROYAL, LLC

By: _____
Robert T. Lucas III
Assistant Secretary

DUKE ENERGY INTERNATIONAL, LLC

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE ENERGY NORTH AMERICA, LLC

By: _____
Sherwood L. Love
Vice President

DUKE ENERGY MARKETING AMERICA, LLC

By: _____
Curtis H. Davis
Vice President

DUKE ENERGY CANADA CALL CO.

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE ENERGY CANADA EXCHANGE CO INC.

By: _____
Sherwood L. Love
Assistant Treasurer

WESTCOAST ENERGY INC.

By: _____
Sherwood L. Love
Assistant Treasurer

UNION GAS LIMITED

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE PROJECT SERVICES, INC.

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE VENTURES, LLC

By: _____
Robert T. Lucas III
Assistant Secretary

CRESCENT RESOURCES, LLC

By: _____
R. Wayne McGee
Senior Vice President and Treasurer

DUKENET COMMUNICATIONS, LLC

By: _____
Anders K. Torning
Assistant Secretary

PANENERGY CORP

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE ENERGY SERVICES, INC.

By: _____
F. Wayne Wiesen
Vice President, General Counsel and Secretary

DUKE ENERGY NATURAL GAS CORPORATION

By: _____
Sherwood L. Love
Assistant Treasurer

DETFI MANAGEMENT, INC.

By: _____
Curtis H. Davis
Senior Vice President

DUKE ENERGY BUSINESS SERVICES LLC

By: _____
Sherwood L. Love
Assistant Treasurer

DUKE ENERGY TRADING AND MARKETING, L.L.C.

By: _____
John D. Thomas
Vice President and Chief Financial Officer

DUKE ENERGY FIELD SERVICES, LLC

By: _____
Patrick Welch
Vice President and Controller

DUKE ENERGY GAS TRANSMISSION, LLC

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

ALGONQUIN GAS TRANSMISSION, LLC

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

TEXAS EASTERN TRANSMISSION, LP

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

EAST TENNESSEE NATURAL GAS, LLC

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

M&N MANAGEMENT COMPANY

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

M&N OPERATING COMPANY, LLC

By: _____
Patrick T. Gibson
Vice President, Planning

MARKET HUB PARTNERS HOLDING, LLC

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

EGAN HUB STORAGE, LLC

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

MOSS BLUFF HUB PARTNERS, L.L.C.

By: _____
Frederick S. Bush
Vice President, Controller and Treasurer

DUKE ENERGY MERCHANTS, LLC

By: _____
C. G. Harper
President

DUKE ENERGY RECEIVABLES FINANCE COMPANY, LLC

By: _____
Sherwood L. Love
Assistant Treasurer

Exhibit A

FORM OF SERVICE REQUEST

<u>Client Company:</u>	<u>Approved By:</u> Name: Title:
<u>Proposed Service Provider/ Description of Proposed Services:</u>	
<u>Estimated Costs:</u>	
<u>Scheduled Start Date:</u>	<u>Scheduled Completion Date:</u>
<u>Service Provider:</u>	<u>Approved By:</u> Name: Title:

OPERATING COMPANIES SERVICE AGREEMENT

This Operating Companies Service Agreement (this "Agreement") is made and entered into as of April 3, 2006 (the "Effective Date") by and among Duke Power Company LLC, a North Carolina limited liability company ("Duke Power"), The Cincinnati Gas & Electric Company, an Ohio corporation ("CG&E"), PSI Energy, Inc., an Indiana corporation ("PSI"), The Union Light, Heat and Power Company, a Kentucky corporation ("ULH&P"), and Miami Power Corporation, an Indiana corporation ("Miami;" and collectively with Duke Power, CG&E, PSI and ULH&P, the "Operating Companies" and, individually, an "Operating Company").

WITNESSETH:

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

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

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

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

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

ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES

Section 1.1 Provision of Services.

(a) Upon receipt by a party hereto (in such capacity, a "Service Provider") of a written request in substantially the form attached hereto as Exhibit A (a "Service Request") from another party hereto (in such capacity, a "Client Company") for the provision to such Client Company of such services as are specified therein, including if applicable use of any related equipment, facilities, properties or other resources (collectively, "Services"), the Service Provider, if in its sole discretion it has available the personnel or other resources needed to perform the Service Request without impairment of its utility responsibilities or business operations, as the case may be, shall furnish such Services to the Client Company at such times, for such periods and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions hereof.

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

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

Section 1.2 Loaned Employees.

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

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

ARTICLE 2. SERVICE REQUESTS

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

ARTICLE 3. COMPENSATION FOR SERVICES

Section 3.1 Cost of Services. As compensation for any Services rendered to it pursuant to this Agreement, Client Company shall pay to Service Provider the fully embedded cost thereof (i.e., the sum of (i) direct costs, (ii) indirect costs and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code; provided, however, that Services provided to or by Duke Power shall be priced in accordance with Duke Power's North Carolina Code of Conduct approved by the North Carolina Utilities Commission. As soon as practicable after the close of each month, Service Provider shall render to each Client Company a statement reflecting the billing information necessary to identify the costs charged for that month. By the last day of each month, Client Company shall remit to Service Provider all charges billed to it.

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

ARTICLE 4. LIMITATION OF LIABILITY; INDEMNIFICATION

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

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

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

Section 4.4 Indemnification.

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

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

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

Service Provider shall be bound by any determination made in such Proceeding or any compromise or settlement made by Client Company. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Client Company to Service Provider.

ARTICLE 5. MISCELLANEOUS

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

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

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

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

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

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

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

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

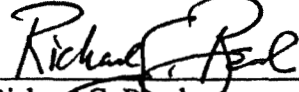
Section 5.9 Duke Power Conditions. In addition to the terms and conditions set forth herein, Duke Power's participation in this Agreement is subject to the provisions set forth in Exhibit B.

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

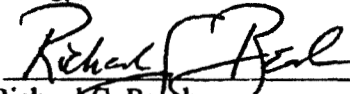
Duke Power Company LLC

By: _____
Richard G. Beach
Assistant Secretary

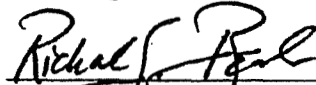
The Cincinnati Gas & Electric Company

By: 
Richard G. Beach
Assistant Secretary

PSI Energy, Inc.

By: 
Richard G. Beach
Assistant Secretary

The Union Light, Heat and Power Company

By: 
Richard G. Beach
Assistant Secretary

Miami Power Corporation

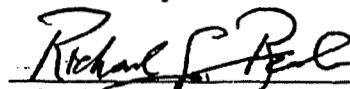
By: 
Richard G. Beach
Assistant Secretary

Exhibit A

FORM OF SERVICE REQUEST

<u>Client Company:</u>	<u>Approved By:</u> Name: Title:
<u>Proposed Service Provider/ Description of Proposed Services:</u>	
<u>Estimated Costs:</u>	
<u>Scheduled Start Date:</u>	<u>Scheduled Completion Date:</u>
<u>Service Provider:</u>	<u>Approved By:</u> Name: Title:

Exhibit B

DUKE POWER CONDITIONS

1. In connection with the North Carolina Utilities Commission ("NCUC") approval the Merger in NCUC Docket No. E-7, Sub 795, the NCUC adopted certain Regulatory Conditions ("Regulatory Conditions") and a revised Code of Conduct governing transactions between Duke Power and its affiliates ("Code of Conduct"). Pursuant to the Regulatory Conditions and Code of Conduct, the following provisions are applicable to Duke Power:

(a) Duke Power's participation in this Agreement is voluntary. Duke Power is not obligated to take or provide services or make any purchases or sales pursuant to this Agreement, and Duke Power may elect to discontinue its participation in this Agreement at its election after giving notice under Section 6.2 of the Agreement.

(b) Duke Power may not make or incur a charge under this Agreement except in accordance with North Carolina law and the rules, regulations and orders of the NCUC promulgated thereunder.

(c) Duke Power may not seek to reflect in rates any (i) costs incurred under this Agreement exceeding the amount allowed by the NCUC or (ii) revenue level earned under this Agreement less than the amount imputed by the NCUC; and

(d) Except as provided in Regulatory Condition No. 21 with respect to a proceeding under Section 1275(b) of Subtitle F in Title XII of the Energy Policy Act of 2005, Duke Power will not assert in any forum that the NCUC's authority to assign, allocate, make pro-forma adjustments to or disallow revenues and costs for retail ratemaking and regulatory accounting and reporting purposes is preempted and will bear the full risk of any preemptive effects of federal law with respect to this Agreement.

2. Transfers by Duke Power. With respect to the transfer by Duke Power under this Agreement of the control of, operational responsibility for, or ownership of any Duke Power assets used for the generation, transmission or distribution of electric power to its North Carolina retail customers with a gross book value in excess of ten million dollars, the following shall apply: (a) Duke Power may not commit to or carry out the transfer except in accordance with all applicable law, and the rules, regulations and orders of the NCUC promulgated thereunder; and (b) Duke Power may not include in its North Carolina cost of service or rates the value of the transfer, whether or not subject to federal law, except as allowed by the NCUC in accordance with North Carolina law.

3. Access to Duke Power Information. Any Operating Company providing Services to Duke Power pursuant to this Agreement, including any loaned employees under Section 1.2 of the Agreement, shall be permitted to have access to Duke Power Customer Information and Confidential Systems Operation Information, as those terms are defined in the Code of Conduct, to the extent necessary for the performance of such Services; provided that such Operating Company shall take reasonable steps to protect the confidentiality of such Information.

**SERVICE COMPANY
UTILITY SERVICE AGREEMENT**

This Service Company Utility Service Agreement (this "Service Agreement") is made and entered into as of April 3, 2006 (the "Effective Date") by and among Duke Power Company LLC ("Duke Power"), a North Carolina limited liability company, The Cincinnati Gas & Electric Company, an Ohio corporation ("CG&E"), PSI Energy, Inc., an Indiana corporation ("PSI"), The Union Light, Heat and Power Company, a Kentucky corporation ("ULH&P"), Miami Power Corporation, an Indiana corporation ("Miami"), and Duke Energy Business Services, LLC, a Delaware limited liability company and Duke Energy Shared Services, Inc., a Delaware corporation (and successor to Cinergy Services, Inc.) (collectively, "the Service Company"). Duke Power, CG&E, PSI, ULH&P and Miami are sometimes hereinafter referred to individually as a "Client Company" and collectively as the "Client Companies."

WITNESSETH

WHEREAS, on May 8, 2005, Duke Energy Corporation, a North Carolina corporation ("Old Duke"), and Cinergy Corp., a Delaware corporation ("Cinergy"), and certain other signatories thereto entered into an Agreement and Plan of Merger dated as of such date ("Merger Agreement"), providing for the merger of Old Duke and Cinergy ("Merger"), subject to the terms and upon satisfaction of the conditions set forth in the Merger Agreement, including receipt of all required regulatory approvals;

WHEREAS, the Merger Agreement contemplated that upon consummation of the Merger the holding company established under Delaware law to assist in effecting the Merger would become the ultimate parent company for the combined companies and would be renamed Duke Energy Corporation ("Duke Energy"), with Old Duke converted to a North Carolina limited liability company and renamed Duke Power Company, LLC;

WHEREAS, on the Effective Date, the Merger has been consummated;

WHEREAS, each of the Client Companies and the Service Company is a subsidiary of Duke Energy;

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

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

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

ARTICLE I – SERVICES

Section 1.1 The Service Company shall furnish to the Client Companies, upon the terms and conditions hereinafter set forth, such of the services described in Appendix A hereto, at such times, for such periods and in such manner as the Client Companies may from time to time request and which the Service Company concludes it is equipped to perform. The Service Company shall also provide Client Companies with such special services, in addition to those services described in Appendix A hereto, as may be requested by a Client Company and which the Service Company concludes it is equipped to perform. In supplying such services, the Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisers and other

persons with necessary qualifications as are required for or pertinent to the rendition of such services.

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

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

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

ARTICLE II - COMPENSATION

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

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

Section 2.3 The Service Company shall render a monthly statement to each Client Company which shall reflect the billing information necessary to identify the costs charged for that month. By the last day of each month, each Client Company shall remit to the Service Company all charges billed to it.

Section 2.4 Subject to Section 482 of the Internal Revenue Code, it is the intent of this Service Agreement that the payment for services rendered by the Service Company to the Client Companies shall cover all the costs of its doing business (less the cost of services provided to affiliated companies not a party to this Service Agreement and to other non-affiliated companies, and credits for any miscellaneous income items), including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization and compensation for use of capital. Without limitation of the foregoing, "cost," as used in this Agreement, means fully embedded cost, namely, the sum of (1) direct costs, (2) indirect costs and (3) costs of capital.

ARTICLE III - TERM

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

ARTICLE IV – ACCOUNTS AND RECORDS

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

Section 4.2 The Service Company shall permit each Affected State Commission and applicable statutory utility consumer representative(s), together with other interested parties as required under applicable law, access to its

accounts and records, including the basis and computation of allocations, necessary for each Affected State Commission to review a Client Company's operating results.

ARTICLE V – MISCELLANEOUS

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

Section 5.2 Entire Agreement; No Third Party Beneficiaries. This Service Agreement (including Appendix A and any other appendices or other exhibits or schedules hereto) (i) constitutes the entire agreement, and supersedes any prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement (including without limitation that certain Utility Service Agreement, originally dated as of March 2, 1994, as heretofore amended, by and among certain subsidiaries of Cinergy including CG&E, PSI, ULH&P, Miami and Cinergy's service company subsidiary) and (ii) is not intended to confer upon any person other than the parties hereto any rights or remedies.

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

Section 5.4 Assignment. Neither this Service Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect

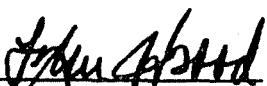
whatsoever. Subject to the preceding two sentences, this Service Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 5.5 Amendments. This Service Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any Affected State Commission for its review or otherwise, each Client Company shall comply in all respects with any such requirements.

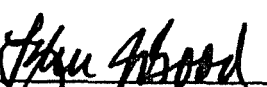
Section 5.6 Interpretation. When a reference is made in this Service Agreement to an Article, Section or Appendix or other Exhibit, such reference shall be to an Article or Section of, or an Appendix or other Exhibit to, this Service Agreement unless otherwise indicated. The headings contained in this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

Section 5.7 Duke Power Conditions. In addition to the terms and conditions set forth herein, Duke Power's participation in this Service Agreement is subject to the provisions set forth in Appendix B.

THE UNION LIGHT, HEAT AND POWER
COMPANY

By: 
Lynn J. Good
Vice President and Treasurer

MIAMI POWER CORPORATION

By: 
Lynn J. Good
Vice President and Treasurer

**Description of Services and Determination
of Charges for Services**

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

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

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

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

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

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

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

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

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

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

4. The weights utilized in the weighted average ratios in paragraph V of this Appendix A shall represent the percentage relationship of the activities associated with the function for which costs are to be allocated. For example, if an expense item is to be allocated on the weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the Total Property, Plant and Equipment ("PP&E") Ratio, and the activity to be allocated is one-third gross margin related, one-third labor related and one-third PP&E related, 33 percent of the Gross Margin Ratio would be utilized, 33 percent of the Labor Dollars Ratio and 34 percent of the PP&E Ratio would be utilized. To illustrate this application, assuming that the Gross Margin Ratio were 53.75 percent for Company A and 46.25 percent for Company B, the Labor Dollars Ratio were 25 percent for Company A and 75 percent for Company B, and the Total PP&E Ratio were 60 percent for Company A and 40 percent for Company B, the following weighted average ratio would be computed:

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

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

1. Sales Ratio

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

2. Electric Peak Load Ratio

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

3. Number of Customers Ratio

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

4. Number of Employees Ratio

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

5. Construction-Expenditures Ratio

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

6. Circuit Miles of Electric Distribution Lines Ratio

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

7. Circuit Miles of Electric Transmission Lines Ratio

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

8. Number of Central Processing Unit Seconds Ratio

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

9. Revenues Ratio

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

10. Inventory Ratio

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

11. Procurement Spending Ratio

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

12. Square Footage Ratio

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

13. Gross Margin Ratio

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

14. Labor Dollars Ratio

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

15. Number of Personal Computer Work Stations Ratio

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

16. Number of Information Systems Servers Ratio

A ratio, based on the total number of applicable servers at the end of a recent month in the preceding twelve consecutive month period, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy

Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. This ratio will be determined annually or at such time as may be required due to a significant change.

17. Total Property, Plant and Equipment Ratio

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

18. Generating Unit MW Capability Ratio

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

V. A description of each Function's activities, which may be modified from time to time by the Service Company, is set forth below in paragraph "a" under each Function. As described in paragraph II, "1" and "2" of this Appendix A, where identifiable, costs will be directly assigned or distributed to Client Companies or to other Functions of the Service Company. For costs accumulated in activities, processes, projects, responsibility centers, or work orders which are for services of a general nature that cannot be directly assigned or distributed, as described in paragraph II, "3" of this Appendix A, the method or methods of allocation are set forth below in paragraph "b" under each Function. For any of the functions set forth below other than Information Systems, Transportation, Human Resources or Facilities, costs of a general nature to be allocated pursuant to this

Amended and Restated Service Agreement shall exclude costs of a general nature which have been allocated to affiliated companies not a party to this Amended and Restated Service Agreement. Substitution or changes may be made in the methods of allocation hereinafter specified, as may be appropriate, and will be provided to state regulatory agencies and to each Client Company.

1. Information Systems

a. Description of Function

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

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

b. Method of Allocation

- (1) Development and support of mainframe computer software applications - allocated between the Client Companies and other Functions of the Service Company based on the number of Central Processing Unit Seconds Ratio, or allocated among the Client Companies on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio as appropriate.
- (2) Procurement and support of personal computers and related network and software applications - allocated to the Client Companies and to other Functions of the Service Company based on the Number of Personal Computer Work Stations Ratio.
- (3) Development and support of distributed computer software applications - allocated to the Client Companies and to other Functions of the Service Company based on the Number of Information Systems Servers Ratio.

- (4) Installation and operation of communications systems - allocated to the Client Companies and to other Functions of the Service Company based on the Number of Employees Ratio.
- (5) Information systems management and support services – allocated to the Client Companies and to other Functions of the Service Company based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.

2. Meters

- a. Description of Function
Procures, tests and maintains meters.
- b. Method of Allocation
Allocated to the Client Companies based on the Number of Customers Ratio.

3. Transportation

- a. Description of Function
 - (1) Procures and maintains vehicles and equipment.
 - (2) Procures and maintains aircraft and equipment.
- b. Method of Allocation
 - (1) The costs of maintaining vehicles and equipment are allocated to the Client Companies and to other Functions of the Service Company based on the Number of Employees Ratio.
 - (2) The costs of maintaining aircraft and equipment are allocated to the Client Companies and to other Functions of the Service Company based on a weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the PP&E Ratio.

4. Electric System Maintenance

- a. Description of Function
Coordinates maintenance and support of electric transmission and distribution systems.
- b. Method of Allocation

- (1) Services related to transmission system - allocated to the Client Companies based on the Circuit Miles of Electric Transmission Lines Ratio.
- (2) Services related to distribution system - allocated to the Client Companies based on the Circuit Miles of Electric Distribution Lines Ratio.

5. Marketing and Customer Relations

a. Description of Function

Advises the Client Companies in relations with domestic utility customers.

The activities of the Function include:

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

b. Method of Allocation

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

6. Electric Transmission and Distribution Engineering and Construction

a. Description of Function

Designs and monitors construction of electric transmission and distribution lines and substations. Prepares cost and schedule estimates, visits construction sites to ensure that construction activities coincide with plans, and administers construction contracts.

b. Method of Allocation

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

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

7. Power Engineering and Construction

a. Description of Function

Designs, monitors and supports the construction of electric generation facilities. Prepares specifications and administers contracts for construction of new electric generating units or improvements to existing electric generating units. Prepares cost and schedule estimates and visits construction sites to ensure that construction activities coincide with plans.

b. Method of Allocation

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

8. Human Resources

a. Description of Function

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

b. Method of Allocation

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

9. Materials Management

a. Description of Function

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

b. Method of Allocation

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

10. Facilities

a. Description of Function

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

b. Method of Allocation

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

11. Accounting

a. Description of Function

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

b. Method of Allocation

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

12. Power Planning and Operations

a. Description of Function

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

- (1) System Planning - planning of additions and retirements to Duke Energy Corporation's electric generation, transmission and distribution systems.

- (2) System Operations - coordination of the energy dispatch and operation of Duke Energy Corporation's electric generating units and transmission and distribution systems.
 - (3) Power Operations – provides management and support services for Duke Energy Corporation's electric generation system.
 - (4) Wholesale Power Operations – coordination of Duke Energy Corporation's wholesale power operations.
- b. Method of Allocation
- (1) System Planning
 - (a) Generation planning - allocated to the Client Companies based on the Electric Peak Load Ratio.
 - (b) Transmission planning – allocated to the Client Companies based on the Electric Peak Load Ratio.
 - (c) Distribution planning - allocated to the Client Companies based on a weighted average of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio.
 - (2) System Operations –
 - (a) Generation Dispatch - allocated to the Client Companies based on the Sales Ratio.
 - (b) Transmission Operations - allocated to the Client Companies based on a weighted average of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio.
 - (c) Distribution Operations - allocated to the Client Companies based on a weighted average of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio.
 - (3) Power Operations – allocated to the Client Companies based on the Generating Unit MW Capability Ratio.
 - (4) Wholesale Power Operations – allocated to the Client Companies based on the Sales Ratio.

13. Public Affairs

- a. Description of Function

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

b. Method of Allocation

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

14. Legal

a. Description of Function

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

b. Method of Allocation

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

15. Rates

a. Description of Function

Determines the Client Companies' revenue requirements and rates to electric and gas requirements customers. Administers interconnection and joint ownership agreements. Researches and forecasts customers' usage.

b. Method of Allocation

Allocated to the Client Companies based on the Sales Ratio.

16. Finance

a. Description of Function

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

b. Method of Allocation

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

17. Rights of Way

a. Description of Function

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

b. Method of Allocation

- (1) Services related to electric distribution system - allocated to the Client Companies based on the Circuit Miles of Electric Distribution Lines Ratio.
- (2) Services related to electric generation system- allocated to the Client Companies based on the Electric Peak Load Ratio.
- (3) Services related to electric transmission system – allocated to the Client Companies based on the Circuit Miles of Electric Transmission Lines Ratio.

18. Internal Auditing

a. Description of Function

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

b. Method of Allocation

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

19. Environmental, Health and Safety

a. Description of Function

Establishes policies and procedures and governance framework for compliance with environmental, health and safety (“EHS”) issues, monitors

compliance with EHS requirements and provides EHS compliance support to the Client Companies' personnel.

b. Method of Allocation

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

20. Fuels

a. Description of Function

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

b. Method of Allocation

Allocated to the Client Companies based on the Sales Ratio.

21. Investor Relations

a. Description of Function

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

b. Method of Allocation

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

22. Planning

a. Description of Function

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

b. Method of Allocation

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

23. Executive

a. Description of Function

Provides general administrative and executive management services.

b. Method of Allocation

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

DUKE POWER CONDITIONS

1. In connection with the NCUC approval the Merger in NCUC Docket No. E-7, Sub 795, the NCUC adopted certain Regulatory Conditions and a revised Code of Conduct governing transactions between Duke Power and its affiliates. Pursuant to the Regulatory Conditions, the following provisions are applicable to Duke Power:

(a) Duke Power's participation in this Service Agreement is voluntary. Duke Power is not obligated to take or provide services or make any purchases or sales pursuant to this Service Agreement, and Duke Power may elect to discontinue its participation in this Service Agreement at its election after giving notice under Section 3.1 of the Service Agreement.

(b) Duke Power may not make or incur a charge under this Service Agreement except in accordance with North Carolina law and the rules, regulations and orders of the NCUC promulgated thereunder.

(c) Duke Power may not seek to reflect in rates any (i) costs incurred under this Service Agreement exceeding the amount allowed by the NCUC or (ii) revenue level earned under this Service Agreement less than the amount imputed by the NCUC; and

(d) Except as provided in Regulatory Condition No. 21 with respect to a proceeding under Section 1275(b) of Subtitle F in Title XII of the Energy Policy Act of 2005, Duke Power will not assert in any forum that the NCUC's authority to assign, allocate, make pro-forma adjustments to or disallow revenues and costs for retail ratemaking and regulatory accounting and reporting purposes is preempted and will bear the full risk of any preemptive effects of federal law with respect to this Service Agreement.

2. With respect to the transfer by Duke Power under this Service Agreement of the control of, operational responsibility for, or ownership of any Duke Power assets used for the generation, transmission or distribution of electric power to its North Carolina retail customers with a gross book value in excess of ten million dollars (\$10 million), the following shall apply:

(a) Duke Power may not commit to or carry out the transfer except in accordance with all applicable law, and the rules, regulations and orders of the NCUC promulgated thereunder; and

(b) Duke Power may not include in its North Carolina cost of service or rates the value of the transfer, whether or not subject to federal law, except as allowed by the NCUC in accordance with North Carolina law.

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Case No.	Case Name	Case Type	Case Status	Case Date	Case Location	Case Description	Case Category	Case Priority	Case Assigned To	Case Assigned Date	Case Assigned Time	Case Assigned Location	Case Assigned Description	Case Assigned Category	Case Assigned Priority	Case Assigned Assigned To	Case Assigned Assigned Date	Case Assigned Assigned Time	Case Assigned Assigned Location	Case Assigned Assigned Description	Case Assigned Assigned Category	Case Assigned Assigned Priority
148	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
149	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
202	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
213	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
206	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
146	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
78	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
80	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
75	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
87	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
81	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High
142	217-46-01	AI@Energy	Open	2020-09-11	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High	John Walker	2020-09-11	11:23	Cherry Dale	Power Line	AI@Energy	High

KRS 278.2205(2)(f)

- F. For each USoA account and subaccount, a report that identifies whether the account contains costs attributable to regulated operations and nonregulated operations. The report shall also identify whether the costs are joint costs that cannot be directly identified. A description of the methodology used to apportion each of these costs shall be included and the allocation methodology shall be consistent with the provisions of KRS 278.2203.¹³**

Duke Energy Kentucky maintains its books and records in accordance with the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts ("USoA"). The FERC USoA designates specific accounts where non-regulated transactions are to be recorded. Costs related to Duke Energy Kentucky's unregulated activities, as identified in Attachment D-1, are charged to various 415, 417 and 418 accounts, as indicated by the name of the accounts, in accordance with the FERC USoA requirements. The charges in these accounts were for various nonregulated operations such as joint trench operations and lease revenue related to non-utility property. Unregulated costs are charged directly to these accounts. The remaining transactions on Duke Energy Kentucky's books are related to regulated utility operations.

Attachment F-1 consists of the USoA chart of accounts for Duke Energy Kentucky, as of May 1, 2006. The list includes both the account number and a brief description of what is included in the account.

(2) In allocating costs between regulated and nonregulated activities, a utility shall utilize one (1) of the following cost allocation methods:

(a) The fully distributed cost method; or
(b) A cost allocation method recognized or mandated by the rules of the SEC promulgated pursuant to 15 U.S.C. sec. 79, et seq., or promulgated by the FERC or by the USDA. KY. REV. STAT. ANN. § 278.2203(2) (Banks-Baldwin 2006).

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	101100	Common Plant in Service
70	101200	Gas Plant in Service
70	101300	Electric Plant in Service
70	101500	Plant In Service-Non-regulated
70	101800	Reg Plant In Service ARO
70	101801	Gas Plant in Service ARO
70	101850	NonReg Plant In Service ARO
70	102000	Plant Purchased or Sold - Electric
70	105300	Elec Plant Held Future Use
70	105500	Non-reg Plant Held Future Use
70	106100	Completed Const Not Classified
70	106200	Gas Comp Const Not Classified
70	106300	Elec Comp Const Not Classified
70	106500	Nonreg Plt Com Const Not Class
70	107000	CWIP - Utility Plant
70	107500	Non-Reg CWIP - Electric
70	107530	Non-Reg CWIP - Other
70	108100	Common Accum Depreciation
70	108101	Common Accum Depreciation-COR
70	108200	Gas Accumulated Depreciation
70	108201	Gas Accum Depreciation COR
70	108300	Electric Accum Prov Depreciation
70	108301	Elec Accum Depreciation COR
70	108410	RWIP - Utility Plant
70	108500	Accum Depreciation-Electric
70	108540	Non-Reg RWIP Electric
70	108800	Accumulated Reserve ARO
70	108801	Gas Accumulated Reserve ARO
70	108850	Nonutility Retirement WIP
70	111100	Common Accum Depreciation
70	111200	Gas Accum Depreciation
70	111300	Electric Accum Depreciation
70	111500	Non-Reg Accum Depreciation Elec
70	121700	Non-Utility Property
70	122700	Non-Utility Accum Depreciation
70	124060	Invst-Pendleton County
70	124090	Invst-Campbell Co Bus Develop
70	124502	Deferred NOx Purchases - Timing

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	124503	Deferred NOx Sales - Timing
70	124504	Deferred NOx Purchases - Accounting
70	124506	Deferred NOx Sales - Accounting
70	124507	Deferred NOx Sales - 2006
70	124508	Deferred NOx Sales - 2007
70	124509	Deferred NOx Sales - 2009
70	124510	Deferred SO2 Purchases - Timing
70	124511	Deferred SO2 Sales - Timing
70	124512	Deferred SO2 Purchases - Accounting
70	124513	Deferred SO2 Sales - Accounting
70	124514	Deferred NOx Purchases - 2003
70	124515	Deferred NOx Purchases - 2007
70	124516	Deferred NOx Sales - 2004
70	131000	Cash
70	131001	Cash-PNC
70	131002	Cash-Fifth Third
70	131004	Cash-Huntington
70	131006	Cash-Other
70	134650	Funds On Deposit w/Trustee Deutch
70	135000	Working Funds-Miscellaneous
70	135210	Expense Advances
70	142020	Customer A/R-Utility Service
70	142100	A/R-Govt Assistance
70	142120	A/R-Reserve Capacity
70	142610	C/R-Payment Prot
70	142710	C/R-Energy Diver
70	142720	C/R-Temp Electric
70	142800	A/R-Passport Interface
70	142830	A/R-Merch/Jobb/Contract Work
70	142880	Sale of Customer Receivables
70	142995	Native Deferred MTM Asset
70	143100	Other A/R-Miscellaneous
70	143150	Other A/R-Misc Non-Utility
70	143190	Other A/R-Employees / Officers
70	143200	Other A/R-Scrap Sales
70	143210	Other A/R-Emp Pay Safety Appl
70	143230	Other A/R-Payroll Adv
70	143280	A/R-Group Insurance
70	143350	Other A/R-Damages / Claims
70	143605	A/R-DPL CD/CCD Operations

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	143650	A/R-DPL CD/CCDcapex
70	143730	Other A/R-EM Fuels
70	143731	Other A/R-EA Penalties
70	143740	A/R - Tyrone Synfuel
70	143755	A/R Wholesale Pwr - Actual
70	143850	A/R-Trans - ED
70	143852	A/R-Midwest ISO
70	143990	Other A/R-Fitness Center
70	143995	A/R Wholesale Pwr - Estimate
70	143997	A/R-SO2/NOx
70	143999	A\R-Brokering Activity
70	144000	Acc Prov Uncoll A/R
70	144100	Acc Prov Uncoll Gov Asst
70	144500	Uncoll-Misc Accts Receivable
70	145000	N/R-Affiliated Co
70	145890	N/R - Rp Cin Receivables
70	146000	Intercompany A/R
70	146005	Interco Accts Rec - Duke
70	151195	Coal-MF 5-7
70	151196	Coal-MF 6 ULHP
70	151210	Oil-MF
70	151440	Gas - Woodsdale Station
70	151700	Coal-East Bend
70	151710	Oil-East Bend
70	151720	Coal-EastBend DPL
70	151730	Oil-EastBend DPL
70	151750	Fuel Stk-Propane Inventory
70	151780	Propane-Woods
70	154000	Materials & Supplies
70	154090	M&S Gas
70	154100	M&S Common
70	154110	M&S Electric
70	154140	Major Equipment
70	154160	Consignment Material
70	154170	M&S East Bend Lime
70	154300	M&S Fuels and Misc
70	154400	M/E East Bend 100 CD
70	154410	Minor Material
70	154450	M&S Miami Fort 7 & 8 100 Cd
70	154510	Major Mat Being Rep or Convert

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	154550	Gas Turbines
70	154620	Plant Material & Supply - Common CBU
70	154630	Plant Material & Supply - Electric CBU
70	154640	Material & Supplies Fuels and Misc - CBU
70	154740	Miami Fort Mechanical & Elec 5
70	154760	Miami Fort Coal Yard
70	154770	M&S East Bend DPL
70	154900	FOB Ship Point
70	154990	Reserve For Loss On Parts
70	158110	SO2 EA Inventory Current Native
70	158120	SO2 Allow Inv - NonCurr Native
70	158130	SO2 Allow Inv-Curr Non-Native
70	158140	SO2 Allow Inv-NonCurr NonNativ
70	158210	Curr Allow Invty - NOx Native
70	158220	Non-crnt Allow Invty - NOx Native
70	163000	Stores Expense - Non Production
70	163200	Stores Expense - East Bend
70	163300	Stores Expense - Other Production
70	164110	Gas Stord Undrgrnd Crmnt Colum
70	164120	Gas Stord Undrgrnd Crmnt-Tenn
70	165000	Prepayments
70	165010	Prepaid Insurance
70	165055	Margin Dep FUTURES - Port Ops
70	165210	Prepayments-Tax Pub Utly Comm
70	165370	Prepayments - Other
70	165900	Prepayment - Coal
70	165910	Prepayments - Fuel
70	172910	Rent Receivable-Other Misc
70	173000	Accrued Utility Revenue
70	173950	Accounts Receivable-Sold
70	174100	Consignment Mat - WESCODISTRIB-CO
70	175000	Energy Risk Mgmt Assets-Curr
70	175004	ST - Coal MTM Reserve
70	175100	Fuel Risk Mgmt Assets-Curr
70	175304	LT - Coal MTM Reserve
70	181010	Unamort Debt Expense
70	181011	Unamort Debt Exp - Insurance
70	182300	Regulatory Asset - Fas 109
70	182303	ARO Other Regulatory Asset
70	182304	Gas ARO Other Regulatory Asset

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corped	Acctno	Acctdesc
70	182376	Deferred Project Costs
70	182401	Deferred DSM Costs
70	182410	Deferred Misc Costs
70	182500	Work Force Reduction - Gas
70	182510	Work Force Reduction
70	182692	ULHP Gas Rate Case
70	182750	2005 Merger Transaction Costs
70	182910	LERP Delayed Cash Costs
70	182940	ULHP 2006 Electric Rate Case
70	182950	ULHP 2005 Gas Rate Case
70	182975	AMRP Study Costs
70	182999	Reg Asset Reclass
70	183112	Prelim Sur And Invest New Gen
70	184100	Fringe Benefits Expense
70	184410	Transportation Exp - Need Vehicle ID
70	184420	Transportation Expense
70	184600	Indirect Labor - Non-union
70	184610	Indirect Labor - Union
70	184700	Clearing Account - CMS Feeder
70	185000	Temporary Facilities
70	186001	Misc Deferred Costs
70	186007	EIPP Monthly Accrual Accounting Errors
70	186010	Misc Deferred Debit
70	186030	Defer Debits-Customer Choice
70	186300	LT Lease Receivable
70	186340	Lease Receivable - Pvt Outdoor Lighting
70	186341	Unearned Income - Pvt Outdoor Lighting
70	186456	Deferred Cost - Merchant Plnts
70	186500	Misc Deferred Debits
70	186500	Misc Deferred Debits
70	186620	Intag Asset Assoc-Misc Re
70	186625	Intang Asset Fas87-Qual Pensio
70	186740	Debt Expense for FMB issued 2005
70	186750	2004 Accum Exp Shelf Registr
70	186760	Accum Exp - 2005 Issuance
70	186910	Journal Entry Rejects
70	186961	Mat & Stores-Matls Acctg
70	189010	Unamort Loss On Reaquired Debt
70	190050	Accum Deferred FIT
70	190051	Accum Deferred FIT-OCI

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	190052	Accum Deferred SIT-OCI
70	190053	Accum Deferred FIT-Plant
70	190054	Accum Deferred SIT-Plant
70	190150	Accum Deferred SIT
70	191400	Unrecovered Purch Gas Cost
70	191800	Unrec Purch Gas - Unbilled Rev
70	201000	Common Stock
70	207000	Prem On Capital Stock Common
70	208000	Donat Recvd From Stkhld
70	208010	Donat Recvd From Stkhld Tax
70	211110	PIC - Sharesaver
70	216000	Unappropriated RE Bal
70	216990	Unapp Ret Erngs-Curr Yr Net In
70	219100	OCI-Minimum Pension Liability
70	219101	OCI-Min Pension Liab -Fed Tax
70	219102	OCI-Min Pension Liab-State Tx
70	219103	OCI-Min Pension Liab Qual Plan
70	219104	OCI-Min Pen Liab-Fed Tax Qual
70	219105	OCI-Min Pen Liab-State Tx-Qual
70	221000	Current Portion of LTD
70	224010	Long Term Debt
70	226010	Unamortized Discount
70	227010	Noncurrent Capital Lease-Meter
70	227011	Noncurrent Capital Lease - Other
70	227020	Noncurrent Capital Lease-Meter
70	227021	Noncurrent Capital Lease - Other
70	228231	Injuries & Damages Res Provisi
70	228300	Res-Fas 106 Life Postretmt Ben
70	228380	Res-Fas 106 Med/Den Postretmt B
70	228390	Res-Fas 112 Postemployment Ben
70	228395	Res-Fas 112 Postemp Ben Wrkcmp
70	228440	Reserve - MGP Sites FERC 228
70	229300	Acc Prov - Retail Rate Refund
70	230850	Asset Retirement Obligation
70	232003	Payable 401K Incentive Match
70	232005	Profit Sharing Pay Balncd Pens
70	232006	Profit Sharing Pay Invstr Pens
70	232010	Electric EAP 10 customer charge
70	232011	Gas EAP 10 customer charge
70	232050	A/P Purchased Gas

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	232110	Vouchers Payable
70	232111	EIPP Vouchers Payable
70	232121	Customer Refunds Payable
70	232140	Unvouchered Stock Materials Receipt
70	232145	FOB Ship Point Accrual
70	232151	Limestone & Freight Payable
70	232161	Coal & Freight Payable
70	232163	SO2 And NOx A/P
70	232171	Oil/Propane & Freight Payable
70	232174	A/P Coal Purchased
70	232181	Natural Gas Payable
70	232260	A/P Subsequent To Cutoff/Unvou
70	232310	Wages Payable
70	232311	Accrued Payroll & Compensation
70	232325	A/P Wintercare
70	232354	FSA-Dependent Care 2001
70	232355	FSA-Medical 2001
70	232360	A/P Fuelfunds - Customer Donations
70	232371	Medical - Active Employee
70	232372	Dental - Active Employee
70	232373	Suppl Life - Active Employee
70	232374	Suppl LTD - Active Employee
70	232375	FSA - Dependent Care
70	232376	FSA - Health Care
70	232377	FSA-Dependent Care 2000
70	232378	FSA-Medical 2000
70	232381	FSA - Vision
70	232390	HRA Reimbursement
70	232610	A/P Utility Bill Insurance
70	232660	Personal Accident Insur Deduc
70	232690	Deduct For Emp Contr-401K Plan
70	232710	Ded For Purch of US Savings
70	232720	Union Dues Deductions
70	232740	Uniform Deductions
70	232755	A/P Wholesale Pwr - Actual
70	232760	Union Deductions-Com of Polit
70	232795	A/P MISO Transmission Exp RB
70	232822	Executive Car Allowance
70	232880	Union Employee Incentive Plan
70	232890	Accounts Payable to CRC

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corped	Acctno	Acctdesc
70	241180	Ft Thomas KY School Tax W/H
70	241190	Erlanger Elsmere KY School Tax W/H
70	241200	City of Wilder Franchise Tax W/H
70	241220	Emp City Adj Gross Inc Tax W/H
70	241390	Bracken County Tax
70	241400	Bellevue Franchise Fee W/H
70	241410	Covington Franchise Fee W/H
70	241420	Dayton Franchise Fee W/H
70	241430	Ft Thomas Franchise Fee W/H
70	241440	Glencoe Franchise Fee W/H
70	241450	Latonia Lakes Franchise Fee W/H
70	241460	Newport Franchise Fee W/H
70	241470	Taylor Mill Franchise Fee W/H
70	241480	Southgate Franchise Fee W/H
70	241490	Woodlaw Franchise Fee W/H
70	241900	Tax Col Pay - Cincy/Columbus
70	241920	Ohio Munis Tax Pay
70	241930	KY Munis Tax Pay
70	242180	FineArtsFund Contribution W/H
70	242220	MBA Dues Withheld
70	242230	MB Credit Union Payments W/H
70	242300	Untied Way Cinti - Deductions
70	242310	Bureau of Support Payments W/H
70	242330	Wage Garnishemnts
70	242340	Payroll Deduct Cancer Ins Prem
70	242350	Fed Pol Act Comm Contrib W/H
70	242380	Retirement Bank Accrual
70	242391	Voluntary Benefits
70	242410	Union Chekcoff - IUU
70	242425	Union Checkoff - USA 12049
70	242435	Union Checkoff - IBEW 1347
70	242440	Union Checkoff - USA 14214
70	242660	Payroll Ded - Helping Hand OH
70	242670	Payroll Ded - Helping Hand KY
70	242680	Payroll Ded - Helping Hand IN
70	242850	Vacation Entitlement Reserve
70	242950	Claims Reserve-Retiree Medical
70	242955	Claims Reserve-Active Medical
70	242970	Claims Reserve-Active Dental
70	242975	Claims Reserve-Retiree Dental

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	242995	Native Deferred MTM Liability
70	243010	Current Capital Lease-Meters
70	243011	Current Capital Lease - Other
70	243020	Current Capital Lease-Meters
70	243021	Current Capital Lease - Other
70	244000	Energy Risk Mgmt Liab-Current
70	244100	Fuel Risk Mgmt Liab-Current
70	244400	Fuel Risk Mgmt Liab-Non Curr
70	252050	Gas Contributions Post 1992
70	252120	Reserve Capacity
70	253050	Unclaimed Funds
70	253130	Gas Refunds/Recl Adj Due Cust
70	253270	Suplmtl Pension-Excess Plan
70	253320	Energy Gift Certificates
70	253440	Add Min Liab-MRP Excess Plan
70	253740	Tyrone Synfuel Rem Escrow
70	253840	Post Ret Ben-Health DPL
70	253870	Pension Cost Adj-FAS87
70	253875	Pen Cost Adj-FAS87 Qualified
70	253880	Pension Cost Adj-DPL Share
70	253910	Misc Deferred Credit
70	254300	Other Reg Liab-FAS109
70	255010	Accum Deferred Invst Tax
70	255200	Def ITC-Non-Regulated Accum Deferred FIT Accel Amort
70	281050	Property Accum Deferred SIT Accel Amort
70	281150	Property
70	282050	Accum Deferred FIT Other Property
70	282150	Accum Deferred SIT Other Property
70	283050	Accum Deferred FIT Other
70	283150	Accum Deferred SIT Other
70	401004	Non Utility Non Labor
70	401025	Purchased Gas Expenses
70	401034	Customer Accounts Expense
70	401035	Customer Accounts Joint Exp
70	401068	Sales and Marketing Expense
70	401100	Operations Expense
70	401110	OPCO Steam Prod Oper Exp Elim
70	401120	Gas Production Oper Exp

Duke Energy Kentucky
Chart of Accounts
As of May 1,
2006

Corpcd	Acctno	Acctdesc
70	401121	Gas Prod Oper Exp-Transmission
70	401122	Gas Prod Oper Exp-Distribution
70	401123	Gas Prod Oper Exp-Dist Int
70	401124	Gas Operating Exp A/G Elim
70	401125	Gas Production Oper Exp Elim
70	401126	Elec Operation Exp Elim
70	401150	Transmission Oper Exp
70	401151	Transmission Oper Exp-InterCo
70	401160	Distribution Oper Exp
70	401170	Other Power Supply Exp
70	401450	Customer Service & Info Exp
70	401470	Customer Svc & Info Joint Exp
70	403000	Depreciation Expense
70	403005	Depreciation Expense - ARO
70	404201	Amort Exp - Limited Term
70	408020	Ohio Property Taxes - Prod
70	408050	Kentucky Property Tax - Gas
70	408055	Kentucky Property Tax - Elec
70	408060	Ky Property Tax - Non-Utility
70	408065	Ky Property Taxes - East Bend
70	408090	West Virgina Property Tax-Gas
70	408220	Payroll Taxes - Non Utility
70	408240	Payroll Taxes-Joint Ownership
70	408390	Ohio Franchise Tax
70	408410	Social Security Taxes
70	408420	West Virginia License Tax
70	408490	Indiana Highway Use Tax
70	408500	Federal Highway Use Tax - Gas
70	408510	Federal Highway Use Tax - Elec
70	408530	Ohio Highway Use
70	408550	Kentucky Highway Use
70	408590	Highway Taxes - Misc States
70	408660	City Cinti Earned Inc Tax-Gas
70	408670	City Cinti Earned Inc Tax-Elec
70	408740	Sales and Use Expense
70	408950	CAT Expense
70	408980	Taxes Alloc From Svc Co - Gas
70	408990	Taxes Alloc From Svc Co-Elec
70	409050	Federal Income Taxes Other Inc & Deduct
70	409060	Federal Income Taxes Utility Op Income

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Corpcd	Acctno	Acctdesc
70	409099	Federal Income Taxes - Other
70	409150	State/Local Inc Taxes Other Inc & Deduct
70	409160	State/Local Inc Tax Exp Utility Op Inc
70	409199	State Income Taxes - Other
70	409980	Taxes Alloc From Serv Co - Gas Federal
70	409985	Taxes Alloc From Serv Co - Gas State
70	409990	Taxes Alloc From Serv Co-Elec Federal
70	409995	Taxes Alloc From Serv Co-Elec State
70	410050	Deferred FIT Other Inc & Deduct
70	410060	Deferred FIT Utility Operating Inc
70	410150	Deferred SIT Other Inc & Deduct
70	410160	Deferred SIT Utility Operating Inc
70	410980	Taxes Alloc From Svc Co - Gas
70	410990	Taxes Alloc From Svc Co - Elec
70	411050	Deferred FIT Credit Other Inc & Deduct
70	411055	Deferred FIT Credit Other Inc & Ded TI 0
70	411060	Deferred FIT Credit - Utility Op Inc
70	411065	Deferred FIT Credit - Util Op Inc TI 0
70	411100	Accretion Expense ARO
70	411150	Deferred SIT Credit - Other Inc & Deduct
70	411160	Deferred SIT Credit - Utility Op Inc
70	411843	SO2 Cmp Sale Prcds-Gain Native
70	411844	SO2 Cmp Sale Cost-Gain Native
70	411845	NOx Cmp Sale Prcds
70	411846	NOx Cmp Sale Cost
70	411847	SO2 Cmp Sale Prcds- Non-Native
70	411848	SO2 Cmp Sale Cost- Non-Native
70	411977	SO2 NonNative Cmp Sale Prcds-Loss
70	411978	SO2 NonNative Cmp Sale Cost-Loss
70	411980	Taxes Alloc From Serv Co - Gas
70	411990	Taxes Alloc From Serv Co-Elec
70	415000	Rev - Jobbing & Contract Work
70	415100	Othr Inc-Misc Gas Jobbing Rev
70	415110	Othr Inc - Rev Cust Prop -Thir
70	415120	Othr Inc-Rev Renew Gas Svc Les
70	415130	Othr Inc-Rev Inst Gas Serv Les
70	415140	Othr Inc-Rev Track Assoc CATV
70	415160	Othr Inc-Rev Gas-Rnw CM 2 Mai
70	415500	Nonutility Misc Svc Rev -Other
70	415520	Othr Inc Electric Jobbing

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Corcpd	Acctno	Acctdesc
70	416000	Exp-Jobbing & Contract Work
70	416100	Gas-Job&Contracts-Misc Gen Exp
70	416140	GasJob-Cust Prop Third Pty Exp
70	416150	Gas Job-Lighting Pilot Cu Exp
70	416170	Gas Jobbing Renew Serv 2 Exp
70	416180	Gas Job-Install Serv 2 Exp
70	416190	Gas Jobbing-Placement CATV Fa
70	416320	Elec Jobbing - Specific T&M
70	416330	Elec Job-Specific Flat Charge
70	416541	ED Nonutil Chge-Labor Nontax
70	416542	ED N/U Chge-Non Labor Nontax
70	416562	ED Nonutil Chge-Non Labor Tax
70	416563	ED N/U Chge - Outside Svc Tax
70	417000	Non-Utility Revenue
70	417001	Non-Utility Service Revenue
70	417003	Non-Utility Misc Svc Rev-Other
70	417005	Non-Utility Rev - Natural Gas
70	417100	Non-Utility Operation Expenses
70	417102	Coal Orig Cost of Goods Sold
70	417102	Coal Orig Cost of Goods Sold
70	417501	Nonreg Misc Svc Rev -Other
70	418001	Non Oper Revenue-Lease Other
70	418002	Nonop Rental Inc - Florence
70	418011	Non Oper Depr - Lease Other
70	418012	Non Oper Depr - Florence Fac
70	418525	NonOp RentInc-Florenc-Affil Co
70	419000	Intercompany Interest Income
70	419040	Interest Income
70	419230	Interest Income - Earned Carry
70	419575	Int Inc-VEBA
70	419890	Int Inc-Cin Rec Co LLC
70	419920	AFUDC Equity
70	421000	Misc Non Oper Inc-Other
70	421003	Misc Non Oper Inc-Anthem Grntr
70	421100	Gain On Disposal of Property
70	421200	Loss On Disposal of Property
70	421530	Power Trading Reserve-MTM Gain
70	421900	98-10 Recession Credits
70	426100	Donations
70	426105	Donations

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Corpcd	Acctno	Acctdesc
70	426300	Penalties
70	426410	Misc Inc Deduct - Civic/Poli
70	426415	Misc Inc Deduct - Civic/Poli
70	426510	Income Deductions - Other
70	426520	Sale Of A/R Fees
70	426522	Sale Of A/R Fees - Non-Oper
70	426530	Power Trading Reserve-MTM Loss
70	426551	VEBA Trust - Expenses
70	427010	Interest Exp On Long Term Debt
70	428010	LT Debt Discount / Exp Amort
70	428011	LT Debt Discount / Exp Amort
70	428012	LT Debt Discount / Exp Amort
70	430000	Intercompany Interest Expense
70	430990	Interest Exp - Cost Assign
70	431000	Interest Expense
70	431020	Interest Exp-Cust Service Dep
70	431030	Interest Exp-Rate Refunds Cu
70	431060	Interest Exp-Worker Comp Death
70	431070	Interest Exp-Refunds-Adjust
70	431080	Interest Exp-Commit Fees-Line
70	431110	Interest Exp-Compensation Agr
70	431130	Interest Exp - Capital Lease
70	431140	Interest Exp - Sharesaver
70	431550	Interest Exp-Assign From Svc
70	432000	AFUDC Debt
70	432300	Capitalized Interest-Elec Prod
70	432500	Capitalized Interest
70	433000	Balance Transfer From Income
70	438000	Dividends Declared On Common S
70	440500	Elec Rev Residential - General
70	440510	Elec Rev Residential-Unbilled
70	440601	Res Base Fuel
70	440602	Res Fuel Clause
70	440603	Res DSM
70	440631	Res Merger Savings Cred Rider
70	440633	Res Profit Sharing Mechanism
70	442500	Elec Rev Commercial - General
70	442510	Elec Rev Commercial - Unbilled
70	442550	Elec Rev Industrial - General
70	442560	Elec Rev Industrial - Unbilled

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Corpcd	Acctno	Acctdesc
70	442601	Com Base Fuel
70	442602	Com Fuel Clause
70	442603	Com DSM
70	442627	Com Dvlpmnt Incentve Rider-DIR
70	442631	Com Merger Savings Cred Rider
70	442633	Com Profit Sharing Mechanism
70	442651	Ind Base Fuel
70	442652	Ind Fuel Clause
70	442653	Ind DSM
70	442677	Ind Dvlpmnt Incentve Rider-DIR
70	442681	Ind Merger Savings Cred Rider
70	442683	Ind Profit Sharing Mechanism
70	444500	Public St And Highway Lighting
70	444601	SL Base Fuel
70	444602	SL Fuel Clause
70	444603	SL DSM
70	444627	SL Dvlpmnt Incentve Rider-DIR
70	444631	SL Merger Savings Credit Rider
70	444633	SL Profit Sharing Mechanism
70	445500	Sales Pub Authority Muni Pump
70	445510	Sales Public Authority Other
70	445520	Sales Public Authority-Unbill
70	445601	OPA Base Fuel
70	445602	OPA Fuel Clause
70	445603	OPA DSM
70	445627	OPA Dvlpmnt Incentve Rider-DIR
70	445631	OPA Merger Savings Credit Rider
70	445633	OPA Profit Sharing Mechanism
70	447010	Elec Rev - I/C sales
70	447251	Elec Rev - Native Load sales
70	447570	Sales Oth Elec Util- Interst N
70	447810	Elec Rev - Non-native sales
70	447820	Sales for Resale - Internal
70	447850	Sales - Transmission - Ed
70	447860	Sales - Transmission - Ec
70	447921	Elec Rev - Swaps
70	447931	Sales For Resale-Futures
70	448500	Inter Dept Sales - Elec
70	449000	Provision Retail Rate Reductio
70	450000	Late Payment Charge

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Corpcd	Acctno	Acctdesc
70	451010	Misc Service Revenues
70	451020	Misc Rev Reconnection Charge
70	451040	Temporary Facilities
70	451050	Misc Rev Cust Diversn Exp
70	451060	Misc Rev Bad Check Charge
70	453625	Intercompany Sales of Water
70	454010	Rent Elec Land And Buildings
70	454010	Rent Elec Land And Buildings
70	454020	Rent Elec Other Equipment
70	454050	Rent From Elec Prop CATV
70	454100	Pole Contact Rentals
70	454155	Rent - Conduit Space
70	454160	Rent Land Elec Prop Net CCD
70	454160	Rent Land Elec Prop Net CCD
70	454200	Other Rent-Electric Property
70	454500	Rent Land & Building-Affil Co
70	454500	Rent Land & Building-Affil Co
70	454710	Rent Common Facilities Units 7
70	454850	Cost of Capital Overhead - ED
70	456015	Sale of Materials & Sales-Elec
70	456020	Tab Meter Operations
70	456025	RSG Revenue - MISO Make Whole
70	456040	Sales Use Tax Coll Fee
70	456075	Data Processing Service
70	456110	Other Transmission Revenues
70	456350	Fuel Management Revenues
70	456800	Transmission Sales By CPMT
70	456850	Wheel Transmission Rev - ED
70	456855	I/C Transmission Revenue
70	456860	Wheel Transmission Rev - EC
70	480400	Residential Sales Gas
70	480410	Residential Unbilled Gas
70	480603	Res DSM
70	480620	Res Gas Cost Recovery
		Res Accelerated Main Replacement
70	480623	Program
70	480625	Res Merger Savings Credit Rider
70	481110	Commercial Sales Gas-Emergency
70	481120	Industrial Sales Gas-Emergency
70	481400	Commercial Sales Gas

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Corpcd	Acctno	Acctdesc
70	481410	Commercial Unbilled Gas
70	481450	Industrial Sales Gas
70	481460	Industrial Unbilled Gas
70	481603	Com DSM
70	481620	Com Gas Cost Recovery
		Com Accelerated Main Replacement
70	481623	Program
70	481625	Com Merger Savings Credit Rider
70	481653	Ind DSM
70	481660	Ind Gas Cost Recovery
		Ind Accelerated Main Replacement
70	481663	Program
70	481665	Ind Merger Savings Credit Rider
70	482400	Public Str/Hgwy Lighting Gas
70	482450	Other Sales To Pub Authority Gas
70	482460	Other Sales To Pub Auth Unbill
70	482603	SL DSM
70	482620	SL Gas Cost Recovery
		SL Accelerated Main Replacement
70	482623	Program
70	482625	SL Merger Savings Credit Rider
70	482653	OPA DSM
70	482660	OPA Gas Cost Recovery
		OPA Accelerated Main Replacement
70	482663	Program
70	482665	OPA Merger Savings Credit Rider
70	483500	Other Gas Utilities-CGE-I/C
70	484400	Inter Departmental Sales Gas
70	487000	Late Payment Charge Gas
70	488010	Misc Service Revenue - Gas
70	488020	Misc Rev Recon Charges Gas
70	488030	Misc Gas Rev Erlanger Gas Plt
70	488040	Misc Rev Cust Diversn Exp Gas
70	488060	Misc Rev Bad Check Charge Gas
70	489000	Rev Transp Gas of Others
70	489003	Transp DSM
70	489010	Rev Transp of Gas - I/C
70	489011	Transp GRT/OET
70	489020	Transp Gas Cost Recovery
70	489021	Transp Percentage Income Payment

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Corpcd	Acctno	Acctdesc
70	489022	Transp State Tax Rider
70	489023	Transp Accelerated Main Replacement
70	489024	Transp Gas Surcredit Rider
70	489025	Trans Merger Savings Cr Rider
70	489060	Rev Agency Service - Woodsdale
70	489103	Res Transp DSM
70	489110	Rev Firm Transp Agm-Commer Bld
70	489113	Com Transp DSM
70	489115	Comm Rev Transp-Unbilled
70	489120	Rev Firm Transp Agreements - I
70	489121	Res Transp GRT/OET
70	489123	Ind Transp DSM
70	489125	Indust Rev Transp-Unbilled
70	489130	Rev Firm Transp Agree - Other
70	489131	Com Transp GRT/OET
70	489133	Oth Transp DSM
70	489135	Other Rev Transp-Unbilled
70	489140	Rev Tnter Trans - Metered Pool
70	489141	Ind Transp GRT/OET
70	489150	Res Transp Gas Cost Recovery
70	489151	Res Transp Percentage Income Payment
70	489152	Res Transp State Tax Rider Res Transp Accelerated Main Replacement
70	489153	Replacement
70	489154	Res Transp Gas Surcredit Rider
70	489155	Res Transp Merger Savings Cr Rider
70	489160	Com Transp Gas Cost Recovery
70	489161	Com Transp Percentage Income Payment
70	489162	Com Transp State Tax Rider Com Transp Accelerated Main Replacement
70	489163	Replacement
70	489164	Com Transp Gas Surcredit Rider
70	489165	Com Transp Merger Savings Cr Rider
70	489170	Ind Transp Gas Cost Recovery
70	489171	Ind Transp Percentage Income Payment
70	489172	Ind Transp State Tax Rider
70	489173	Ind Transp Accelerated Main Replacement
70	489174	Ind Transp Gas Surcredit Rider
70	489175	Ind Transp Merger Savings Cr Rider
70	489180	Oth Transp Gas Cost Recovery

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Corpcd	Acctno	Acctdesc
70	489181	Oth Transp Percentage Income Payment
70	489182	Oth Transp State Tax Rider Oth Transp Accelerated Main
70	489183	Replacement
70	489184	Oth Transp Gas Surcredit Rider
70	489185	OPA Transp Merger Savings Cr Rider
70	489191	Oth Transp GRT/OET
70	493040	Rent Land And Buildings-Affil
70	495020	Sales Use Tax Collect Fee
70	495030	Gas Losses Damaged Lines
70	496100	Provision for rate refunds
70	499000	Dividends Declared Transfer
70	500000	Supervision And Engineering
70	501008	Fuel Handling Expense
70	501020	Fuel Procurement And Handling
70	501109	Coal-Miami Fort Units 5-7
70	501116	Coal-East Bend Station
70	501120	Fuels unrealized MTM loss
70	501121	Fuels unrealized MTM gain
70	501124	Coal MTM Reserve - Gain
70	501125	Fuels realized derivative gain
70	501126	Fuels realized derivative loss
70	501134	Coal MTM Reserve - Loss
70	501202	Fuel Oil-Miami Fort Units 5-7
70	501215	Fuel Oil - East Bend Station
70	501300	Residual Disposal Costs
70	501302	Residual Disposal Expense - NE
70	501304	Reimb Assoc With Residual Disp
70	501996	Non Native Load Fuel Expense
70	501997	Contra Non Native Load Fuel Exp
70	502000	Steam Expenses
70	502010	Ammonia Expense
70	502040	Cost of Lime
70	502050	Lime - Physical Inventory Adj
70	505000	Electric Expenses
70	506000	Miscellaneous Steam Power Exp
70	506020	Emission Fees Assessment
70	506600	Vehicles - Operation
70	507000	Rent Expense - Steam Power
70	509010	SO2 Emission Expense - Native

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Corpcd	Acctno	Acctdesc
70	509030	SO2 Emission Expense-NonNative
70	509210	NOx Emission Expense - Native
70	509230	NOx Emission Expense - NonNative
70	510000	Maint - Supervision/Engineer
70	511000	Maintenance of Structures
70	511100	Removal - Structures
70	512000	Maintenance of Boiler Plant
70	512030	Maint of Boiler Plant - FGD
70	512100	Removal - Boiler Plant
70	512251	Maint of Boiler Plant-TM Over
70	513000	Maintenance of Electric Plant
70	513100	Removal - Electric Plant
70	514000	Maint Misc Steam Plant
70	514100	Removal - Misc Steam Plant
70	546000	Other Power - Supv/Engr Labor
70	547120	Gas unrealized MTM loss
70	547121	Gas unrealized MTM gain
70	547125	Gas realized loss
70	547126	Gas realized gain
70	547303	Gas Purchases From CMT
70	547501	Woodsdale Gas
70	547701	Woodsdale Propane Gas
70	548000	Other Power-Ops Generation Exp
70	549000	Misc Other Power Gen Exp
70	549115	Misc Other Power Gen Exp I/C
70	551000	Other Pwr - Maint Supv/Engr
70	552000	Other Pwr - Maint of Structure
70	552100	Removal - Oth Pwr Structures
70	553000	Other Pwr-Maint Genrating/Elec
70	553100	Removal - Oth Pwr Gen/Elec
70	554000	Other Pwr - Maint Misc Equip
70	554100	Removal - Oth Pwr Misc Equip
70	555000	Purchased Power
70	555005	Purch Pwr - gross - Duke
70	555010	Purch Pwr - I/C - gross
70	555019	Purch Pwr - I/C - net
70	555028	Purch Pwr - Non-native - net
70	555050	Elec Purchased Unbilled
70	555200	Purch Pwr - Native Load - gross
70	555915	Purch Power Net - Duke

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Corpcd	Acctno	Acctdesc
70	556000	System Control / Load Dispatch
70	557000	Other Power Supply Expenses
70	557030	Other Power Purchases
70	557450	Commissions/Brokerage Expense
70	560000	Operation Supervision/Engineer
70	561000	Load Dispatching
70	561100	Load Dispatch - Reliability
		Load Dispatch -Monitor & Oper Transm
70	561200	Sys
		Load Dispatch-Transmissn
70	561300	Svc&Scheduling
70	561400	Billings-Scheduling & SysCon & Dispatch
70	561500	Load Dispatch - System Planning
70	561600	Transmission Interconnection Svc Studies
70	561700	Generation Interconnection Studies
70	561800	Billings for Reliability Planning & Stds
70	562000	Station Expenses
70	563000	Overhead Line Expenses
70	565855	Tran Elec By Oth - ED- Interco
70	565860	Tran Elec By Oth - EC
70	565865	Tran Elec - Duke
70	566000	Miscellaneous Transmission Exp
70	567010	Rents - Interco - CGE
70	568000	Maintenance Superv/Engineeri
70	569000	Maintenance of Structures
70	569100	Maint of Hardware Serving Transmission
70	569200	Maint of Software Serving Transmission
		Maint of Comm Eqpmt Serving
70	569300	Transmission
70	570000	Maint Of Station Equipment
70	570100	Removal-Station Equip-Step-Up
70	570860	Maint Of Substation Equipment
70	571000	Maintenance Of Overhead Lines
70	573000	Maint Of Misc Trans Plant
70	580000	Ops Supv/Engr - Distr Sys
70	581000	Load Dispatch-Dist of Elec
70	582000	Station Exp-Distribution Sys
70	583000	Ovhd Line Exp-Distribution Sys
70	584000	UG Line Exp - Distribution Sys
70	585000	Street Lighting/Signal System

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Corpcd	Acctno	Acctdesc
70	586000	Meter Expenses
70	587000	Customer Installations Expense
70	588000	Miscellaneous Distribution Exp
70	589010	Rents - Interco - CGE
70	590000	Maint Supv/Engr-Dist Sys
70	591000	Maintenance of Structures
70	592000	Maint Of Station Equipment
70	593000	Maintenance Of Overhead Lines
70	594000	Maint Of Underground Line
70	595000	Maint Of Line Transformers
70	596000	Maint Of Street Lights/Signals
70	597000	Maintenance Of Meters
70	598000	Maint Misc Distribution Plant
70	711000	Gas Boiler Labor
70	712000	Gas Production-Other Power Exp
70	717000	Liq Petro Gas Exp-Vapor Proc
70	728000	Liquid Petroleum Gas
70	728003	Liq Prop Gas Exp Erlang/Consta
70	735000	Gas Misc Production Exp
70	742000	Maint Gas Production Equipment
70	801000	Natural Gas Field Line Purch
70	801010	Natural Gas Field Ln Purch-I/C
70	805000	Unrecovered Purchase Gas Adj
70	805200	Purchase Gas Cost Unbilled Rev
70	807000	Gas Purchased Expenses
70	807010	Gas Purchased Expenses - I/C
70	856000	Transmission Mains Exp - Gas
70	859000	Other Exp-Trans Sys Equip/Exp
70	870000	Distribution Sys Ops-Supv/Engr
70	871000	Distribution Load Dispatching
70	874000	Mains And Services
70	875000	Measuring And Reg Stations-Gen
70	876000	Measuring & Reg Station-Indust
70	878000	Meter And House Regulator Exp
70	879000	Customer Installation Expenses
70	880000	Gas Distribution-Other Expense
70	881020	Rents Interco - Buildings
70	881040	Gas Dist -Rents Interco-Microw
70	881050	Gas Dist Rents I/C - Stores
70	885000	Maint Dist Sys Fac- Supv/Engr

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Corpcd	Acctno	Acctdesc
70	887000	Maintenance of Mains
70	889000	Maint-Meas/Reg Stn Equip-Gas
70	890000	Maint - Meas/Reg Stn Eq-Indust
70	892000	Maintenance of Services
70	893000	Maint - Meters And House Regul
70	894000	Maint-Other Distribution Equip
70	901000	Supv Cust Bill / Collect
70	902000	Meter Reading
70	903000	Cust Rec/Coll - Mrkt Ops
70	904000	Customer Acctng - Uncoll Accounts Exp
70	904002	Cust Acctg-Loss On Sale-A/R
70	904090	Customer Acctng - Uncoll Accounts Exp
70	905000	Cust Reltns Bill/Coll
70	907000	Supervision Energy Marketing
70	908000	Corporate Planning Cust Asst
70	909000	Info/Instr Advs-Cmty Affair
70	910000	Misc Cust Serv And Info
70	911000	Supv-Marketing Operations
70	912000	Demo/Sell-Energy Marketing
70	913000	Advs Exp-Mrkting/Cust Reltns
70	916000	Miscellaneous Sales Exps
70	920000	A/G Labor
70	920450	A/G Labor - Elec -Billed DPL
70	921000	A/G Office Supplies and Exp
70	921450	A/G Mat/Exp-Elec -Billed DPL
70	922000	Duplicate Charges Credit
70	923000	Outside Services
70	924000	Property Insurance
70	925000	Injuries And Damages
70	925990	Genl Frng Benfts Frm PSI-Joint
70	926000	Employee Pension / Benefits
70	926110	Employee Fringe Benefits Load
70	926140	Pension Cost Adj - Cr
70	926590	Empl Benft Lbr Billed DPL CSP
70	928000	State Reg Comm Proceeding
70	928020	Fed Energy Reg Com Proceed
70	929000	Service Used Own Dept Cr
70	929030	Jobbying Overheads
70	930100	General Advertising Expenses
70	930202	A/G Misc General Expense

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Corped	Acctno	Acctdesc
70	931000	Rents
70	931200	Rents - Interco
70	931400	Rents - Electric - Billed DPL
70	931500	Rents - Affiliated Companies
70	935000	Maint of General Plant
70	999990	Clearing Account