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Dianne B. Kuhnell
Senior Paralegal

VIA OVERNIGHT DELIVERY

March 4, 2009

RECEIVED

MAR 05 2009

**PUBLIC SERVICE
COMMISSION**

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

Re: Case No. 2008-00522

Dear Mr. Derouen:

Enclosed please find for filing an original and seven copies of the Responses to Interrogatories and Production of Documents from the Commission Staff to Duke Energy Kentucky in the above captioned case.

Please date-stamp the extra two copies of the filing and return to me in the enclosed envelope.

Sincerely,

Dianne B. Kuhnell
Senior Paralegal

cc: Dennis Howard II

RECEIVED

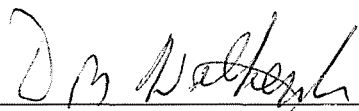
MAR 05 2009

**PUBLIC SERVICE
COMMISSION**

VERIFICATION

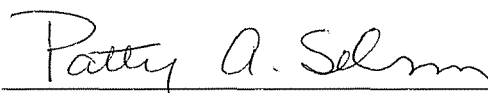
State of Ohio)
)
County of Hamilton) SS:

The undersigned, William Don Wathen Jr., being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Director - Rates; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquire.



William Don Wathen Jr., Affiant

Subscribed and sworn to before me by William Don Wathen Jr. on this 4th day of March 2009.



NOTARY PUBLIC

My Commission Expires: PATTY A. SELM
 NOTARY PUBLIC, STATE OF OHIO
 My Commission Expires 09-15-2009

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Interrogatories
Date Received: February 27, 2009

STAFF-INT-01-001

REQUEST:

Refer to the response to item 1 of the Commission's First Request for Information. This response states that Duke Kentucky has selected April 2008 as the month to be used as the base period for its fuel adjustment clause ("FAC"). According to the response to item 5 in Case No. 2008-00287, Duke Kentucky's East Bend unit experienced a planned outage from April 4, 2008 through May 1, 2008. As a result, Duke Kentucky purchased a large amount of replacement power.

- a. Explain why Duke Kentucky believes a month in which the East Bend unit was offline is representative of the net generating cost per kWh that Duke Kentucky will incur between November 1, 2008 and October 31, 2010.
- b. Because of the high cost of the replacement power for April 2008, Duke Kentucky amortized the replacement power over six months in its FAC filings to mitigate the impact on customers. Explain why Duke Kentucky now finds it reasonable to base the increase in its base fuel rate for the next two years on a fuel factor not actually charged to customers during the two-year review period and one in which the East Bend unit was offline.
- c. This response states that, based on Duke Kentucky's most recent fuel cost projections, the projected fuel cost per kWh for 2009 is \$.038406 and \$.037691 for 2010. The base fuel rate requested by Duke Kentucky is \$.039186. Explain why the Commission should approve a base fuel rate greater than Duke Kentucky's 2009 and 2010 projections.

RESPONSE:

- a. Duke Energy Kentucky selected April 2008 as the base period for its fuel adjustment clause because, of the historical months available, the resulting fuel rate for this period was the closest to the expected fuel rate projected for the next two calendar years.
- b. See response to (a).
- c. As stated in response to (a), the resulting fuel rate for April 2008 was the closest to the expected fuel rate projected for the next two calendar years. Given the algebraic formula

for recovering fuel costs in 807 KAR 5:056, $FAC = F_{(m)}/S_{(m)} - F_{(b)}/S_{(b)}$, the base fuel component is of lesser importance as only actual costs are recovered, $F_{(b)}/S_{(b)}$. Nevertheless, it is the Company's intention to set the base fuel rate, $F_{(b)}/S_{(b)}$, at an amount that most closely reflects its expectations of future fuel costs.

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Interrogatories
Date Received: February 27, 2009

STAFF-INT-01-002

REQUEST:

If the Commission finds that April 2008 is not a reasonably representative month, state the month in which the total fuel costs were actually charged to customers during the two-year review period that Duke Kentucky would choose as a representative month. Using this alternate month, provide updated responses to Items 1 through 4, 7, 8, 16, and 17 of the Commission's First Request for Information.

RESPONSE:

If the Commission finds that April 2008 is not a reasonably representative month, the Company would like to use July 2008 as the base period.

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-001Supplemental

REQUEST:

State the month to be used as the base period (b). Include a comprehensive, detailed explanation of the factors considered in the selection of this month as being representative of the net generating cost per kWh that Duke Kentucky will incur between November 1, 2008 and October 31, 2010 (“the next 2-year period”).

RESPONSE:

July 2008 was selected to be the an alternative base period because it is reasonably close-in-time to the next two-year period and because the average fuel rate for that month is a reasonable approximation of the projected fuel rate for the next two-year fuel adjustment period. Therefore, Company requests that \$0.033760/kWh base fuel cost be approved for the next two year period.

The most recent fuel costs projections are \$149,878,000 for the calendar year 2009 and \$152,212,000 for the calendar year 2010. Kilowatt-hour sales projected for those same periods are 3,902,444,000 and 4,038,391,000, respectively, providing a projected fuel cost per kilowatt-hour of \$0.038406 for 2009 and \$0.037691 for 2010.

The cost per kWh during the proposed base month of July 2008 was calculated as follows:

<u>Fuel (b) (April 2008)</u>	<u>\$13,361,379</u>	
Sales (b) (April 2008)	395,770,070	= \$0.033760

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-002Supplemental

REQUEST:

Provide a calculation of the fossil fuel costs F(b) that Duke Kentucky proposes to use to calculate the base period fuel cost. This calculation shall show each component of F(b) as defined by 807 KAR 5:056. Explain why the fuel cost in the selected base period is representative of the level of fuel cost that Duke Kentucky will incur during the next 2-year period.

RESPONSE:

As stated in response to STAFF-DR-01-001 Supplemental, the Company proposes a base fossil fuel cost F(b) of \$13,361,379.16. See Attachment STAFF-DR-01-002 Supplemental for a copy of the fuel cost schedule for July 2008, which shows the components of F(b) as defined by 807 KAR 5:056.

PERSON RESPONSIBLE: William Don Wathen Jr.

**DUKE ENERGY KENTUCKY
FINAL FUEL COST SCHEDULE**

Expense Month: July 2008

		<u>Dollars (\$)</u>
A. Company Generation		
Coal Burned	(+)	9,805,795.66
Oil Burned	(+)	190,341.00
Gas Burned	(+)	1,710,206.24
MISO Make Whole Payments	(-)	1,875,474.45
Fuel (assigned cost during Forced Outage ^(a))	(+)	71,752.16
Fuel (substitute cost during Forced Outage ^(a))	(-)	41,934.98
Sub-Total		<u>\$9,860,685.63</u>
B. Purchases		
Economy Purchases	(+)	4,055,065.00
Other Purchases	(+)	-
Other Purchases (substitute for Forced Outage ^(a))	(-)	395,450.48
Less purchases above highest cost units	(-)	-
Sub-Total		<u>\$3,659,614.52</u>
C. Non-Native Sales Fuel Costs		\$158,920.99
D. Total Fuel Costs (A + B - C)		<u><u>\$13,361,379.16</u></u>

.....
Note: ^(a) Forced Outage as defined in 807 KAR 5:056.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-003Supplemental

REQUEST:

Provide a schedule showing each component of sales as defined by 807 KAR 5:056 in the selected base period (b). Explain why Duke Kentucky believes that the sales in the selected base period (b) are representative of the level of kWh sales that Duke Kentucky will derive from the level of fuel cost incurred during the selected base period (b).

RESPONSE:

As stated in response to STAFF-DR-01-001 Supplemental, the Company proposes a base sales S(b) of 395,770,070 kilowatt-hours. See Attachment STAFF-DR-01-003 Supplemental for a copy of the Sales Schedule for July 2008, which shows the components of sales as defined by 807 KAR 5:056.

Projected sales for the same period in 2009 and 2010 (as shown in response to Staff-DR-01-006) are comparable to the level of sales included in the base period F(b).

PERSON RESPONSIBLE: William Don Wathen Jr.

**DUKE ENERGY KENTUCKY
SALES SCHEDULE**

Expense Month: July 2008

		<u>Kilowatt-Hours Current Month</u>
A. Generation (Net)	(+)	390,057,990
<u>Purchases Including Interchange-In</u>	(+)	<u>39,205,090</u>
Sub-Total		<u>429,263,080</u>
B. Pumped Storage Energy	(+)	-
Non-Native Sales Including Interchange Out	(+)	11,343,260
<u>System Losses (417,919,820 KWH times 5.3%^(a))</u>	(+)	<u>22,149,750</u>
Sub-Total		<u>33,493,010</u>
C. Total Sales (A - B)		<u><u>395,770,070</u></u>

Note: ^(a) Average of prior 12 months.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-004Supplemental

REQUEST:

Provide a schedule showing the calculation of Duke Kentucky's proposed increase or decrease in its base fuel cost per kWh to be incorporated into its base rate.

RESPONSE:

Current Base	\$0.021619
Proposed Base	<u>\$0.033760</u>
Increase in Base Rates	\$0.012141

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-007Supplemental

REQUEST:

Provide separately the amounts of power purchases used in the calculation of sales provided in response to Item 3.

RESPONSE:

The attachment to Staff-DR-01-003 Supplemental shows power purchases of 39,205,090 MWh all from the Midwest Independent System Operator, Inc..

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-008Supplemental

REQUEST:

Provide separately the amounts of intersystem power sales used in the calculation of sales provided in response to Item 3.

RESPONSE:

The attachment to Staff-DR-01-003 Supplemental shows power sales of 11,343,260 MWh all to the Midwest Independent System Operator, Inc..

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-016Supplemental

REQUEST:

Provide a schedule of the present and proposed rates that Duke Kentucky seeks to change pursuant to 807 KAR 5:056, shown in comparative form.

RESPONSE:

See Attachment KyPSC-DR-01-016 Supplemental.

PERSON RESPONSIBLE: William Don Wathen Jr.

Duke Energy Kentucky Revised Tariffs

Tariff		Existing	Existing	Existing	Proposed	Revised
Sheet No.	Rate Schedule	Base Rate	Fuel Component	Base Rate	Revised Fuel	Revised
		Energy & Fuel	of Base Rates	Excluding	Component	Base Rates
				Fuel Base	of Base Rates	Including Fuel
30	RS	0.073238	0.021619	0.051619	0.033760	0.085379
40	DS					
	First 6000 kWh	0.079427	0.021619	0.057808	0.033760	0.091568
	Next 300 kWh/kW	0.047901	0.021619	0.026282	0.033760	0.060042
	Add'l kWh	0.038825	0.021619	0.017206	0.033760	0.050966
41	DT					
	Summer On Peak	0.041977	0.021619	0.020358	0.033760	0.054118
	Winter On Peak	0.039977	0.021619	0.018358	0.033760	0.052118
	Off Peak	0.033977	0.021619	0.012358	0.033760	0.046118
	DT-Low Load Factor					
	Summer On Peak	0.044639	0.021619	0.02302	0.033760	0.056780
	Winter On Peak	0.042639	0.021619	0.02102	0.033760	0.054780
	Off Peak	0.036639	0.021619	0.01502	0.033760	0.048780
42	EH	0.059306	0.021619	0.037687	0.033760	0.071447
43	SP	0.098380	0.021619	0.076761	0.033760	0.110521
44	GS-FL					
	540 to 720 hrs.	0.078505	0.021619	0.056886	0.033760	0.090646
	< 540 hrs.	0.090729	0.021619	0.069110	0.033760	0.102870
45	DP					
	First 300 kWh	0.048850	0.021619	0.027231	0.033760	0.060991
	Add'l kWh	0.040980	0.021619	0.019361	0.033760	0.053121
51	TT	0.040430	0.021619	0.018811	0.033760	0.052571
60	SL		0.021619		0.033760	0.033760
61	TL					
	Energy Only	0.035848	0.021619	0.014229	0.033760	0.047989
	w/Maintenance	0.056927	0.021619	0.035308	0.033760	0.069068
62	UOLS	0.035263	0.021619	0.013644	0.033760	0.047404
65	OL		0.021619		0.033760	0.033760
66	NSU		0.021619		0.033760	0.033760
67	NSP		0.021619		0.033760	0.033760
68	SC	0.035263	0.021619	0.013644	0.033760	0.047404
			0.021619		0.033760	0.033760
69	SE		0.021619		0.033760	0.033760
80	Rider FAC		0.021619		0.033760	0.033760

Duke Energy Kentucky, Inc.
Case No. 2008-00522
First Set Staff Data Requests
Date Received: February 27, 2009

STAFF-DR-01-017Supplemental

REQUEST:

Provide a statement showing by cross-outs and italicized inserts all proposed changes in rates. A copy of the current tariff may be used.

RESPONSE:

See Attachment KyPSC-DR-01-017 Supplemental.

PERSON RESPONSIBLE: William Don Wathen

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

KY.P.S.C. Electric No. 2
 Twelfth Revised Sheet No. 10
 Cancels and Supersedes
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 Page 1 of 5

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INDEX TO APPLICABLE ELECTRIC TARIFF SCHEDULES AND COMMUNITIES SERVED

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Supplying and Taking of Service	21	01/02/07	
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Company's Installation	23	01/02/07	
Metering	24	01/02/07	
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Deposits	26	01/02/07	
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Rate RS, Residential Service	30		Deleted: 01/02/07
Reserved for Future Use	31-39		
DISTRIBUTION VOLTAGE SERVICE			
Rate DS, Service at Secondary Distribution Voltage:			
Secondary Voltage Less than 12.5 kV			
- Secondary Metered	40		Deleted: 01/02/07
- Primary Metered	40		Deleted: 01/02/07
- Churches	40		Deleted: 01/02/07
Rider LM, Load Management Rider:			
Load Up to 500 kW:			
- Churches	40		Deleted: 01/02/07
- Others	40		Deleted: 01/02/07
Load Greater than 500 kW:			
- Secondary Metered	40		Deleted: 01/02/07
- Primary Metered	40		Deleted: 01/02/07
Rate DT, Time-of-Day Rate For Service at Distribution Voltage:			
Secondary Voltage Less Than 12.5 kV			
- Secondary Metered			
On Peak	41		Deleted: 01/02/07
Off Peak	41		Deleted: 01/02/07
- Primary Metered			
On Peak	41		Deleted: 01/02/07
Off Peak	41		Deleted: 01/02/07
12.5 kV Primary Voltage			
- Secondary Metered			
On Peak	41		Deleted: 01/02/07
Off Peak	41		Deleted: 01/02/07
- Primary Metered			
On Peak	41		Deleted: 01/02/07
Off Peak	41		Deleted: 01/02/07

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Issued: _____

Effective: _____

Issued by Julie Janson, President

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

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<u>DISTRIBUTION VOLTAGE SERVICE (Contd.)</u>			
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Rate SP, Seasonal Sports Service.....	43		Deleted: 01/02/07
Rate GS-FL, General Service Rate for Small Fixed Loads			
- Less Than 540 Hours.....	44		Deleted: 01/02/07
- 540 Hours Use and Greater.....	44		Deleted: 01/02/07
Rate DP, Service at Primary Distribution Voltage			
12.5kV			
- Secondary Metered.....	45		Deleted: 01/02/07
- Primary Metered.....	45		Deleted: 01/02/07
34.5 kV			
- Secondary Metered.....	45		Deleted: 01/02/07
- Primary Metered.....	45		Deleted: 01/02/07
Rider LM, Load Management Rider:			
Load Greater than 500 kW:			
12.5 kV			
- Secondary Metered.....	45		Deleted: 01/02/07
- Primary Metered.....	45		Deleted: 01/02/07
34.5 kV			
- Secondary Metered.....	45		Deleted: 01/02/07
- Primary Metered.....	45		Deleted: 01/02/07
Reserved for Future Use.....	46-49		
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Reserved for Future Use.....	50	01/02/07	
Rate TT, Time-of-Day Rate for Service at Transmission Voltage:			
69 kV			
- Secondary Metered			
On Peak.....	51		Deleted: 01/02/07
Off Peak.....	51		Deleted: 01/02/07
- Primary Metered			
On Peak.....	51		Deleted: 01/02/07
Off Peak.....	51		Deleted: 01/02/07
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Rider GSS, Generation Support Service.....	58	01/02/07	
Rate RTP-M, Real Time Pricing -- Market Based Pricing.....	59	01/02/07	

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

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	Sheet No.	Effective Date	
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Rate TL, Traffic Lighting Service: Energy Only	61	▼	Deleted: 01/02/07
Limited Maintenance Only	61	▼	Deleted: 01/02/07
Energy and Limited Maintenance	61	▼	Deleted: 01/02/07
Rate UOLS, Unmetered Outdoor Lighting	62	▼	Deleted: 01/02/07
Rate OL-E, Outdoor Lighting Equipment Installation	63	01/02/07	Deleted: 01/02/07
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Rate OL, Outdoor Lighting Service Private Outdoor Lighting (POL)	65	▼	Deleted: 01/02/07
POL Additional Contribution	65	▼	Deleted: 01/02/07
Floodlighting Service	65	▼	Deleted: 01/02/07
Underground Service	65	▼	Deleted: 01/02/07
Rate NSU, Street Lighting Service for Non-Standard Units: Energy and Maintenance	66	▼	Deleted: 01/02/07
Energy and Limited Maintenance	66	▼	Deleted: 01/02/07
Rate NSP, Private Outdoor Lighting for Non-Standard Units: Overhead Service	67	▼	Deleted: 01/02/07
Underground Service	67	▼	Deleted: 01/02/07
Floodlighting Service	67	▼	Deleted: 01/02/07
Rate SC, Street Lighting Service – Customer Owned: Energy Only	68	▼	Deleted: 01/02/07
Energy and Limited Maintenance	68	▼	Deleted: 01/02/07
Rate SE, Street Lighting Service – Overhead Equivalent	69	▼	Deleted: 01/02/07
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Rider TS, Temporary Service	71	01/02/07	Deleted: 01/02/07
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Rider LM, Load Management Rider	73	01/02/07	
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 1697-A Monmouth Street
 Newport, Kentucky 41071

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CBL Rate DS		
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- Secondary Metered	99	01/02/09
- Primary Metered	99	01/02/09
CBL Rate DP		
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- Secondary Metered	99	01/02/09
- Primary Metered	99	01/02/09
Voltage 34.5kV		
- Secondary Metered	99	01/02/09
- Primary Metered	99	01/02/09
CBL Rate DT		
Secondary Voltage Less than 12.5 kV		
- Secondary Metered	99	01/02/09
- Primary Metered	99	01/02/09
Voltage 12.5 kV		
- Secondary Metered	99	01/02/09
- Primary Metered	99	01/02/09
CBL Rate TT		
Voltage 69 kV		
- Secondary Metered	99	01/02/09
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Duke Energy Kentucky, Inc
1697-A Monmouth Street
Newport, Kentucky 41071

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COMMUNITIES SERVED:

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2008-00522.

Issued: _____ Effective: _____

Issued by Julie Janson, President

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

KY.P.S.C. Electric No. 2
Second Revised Sheet No. 30
Cancels and Supersedes
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RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges:

- 1. Base Rate
 - (a) Customer Charge \$4.50 per month
 - (b) Energy Charge
All kilowatt hours \$0.085379 per kWh

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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

KY.P.S.C. Electric No. 2
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RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, and all applicable riders, shall not exceed \$0.229043 per kilowatt-hour (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge per month

Single Phase Service	\$ 7.50	per month
Three Phase Service	\$ 15.00	per month

(b) Demand Charge

First 15 kilowatts	\$ 0.00	per kW
Additional kilowatts	\$ 7.75	per kW

(c) Energy Charge

First 6,000 kWh	\$0.091568	per kWh
Next 300 kWh/kW	\$0.060042	per kWh
Additional kWh	\$0.050966	per kWh

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(I) Deleted: 0.038825

2. Applicable Riders

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

Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

The minimum charge shall be the Customer Charge shown above.

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For customers receiving service under the provisions of former Rate C, Optional Rate for Churches, as of June 25, 1981, the maximum monthly rate per kilowatt-hour shall not exceed \$0.135924 per kilowatt-hour plus all applicable riders.

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NET MONTHLY BILL (Cont'd)

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

METERING

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

DEMAND

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

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

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

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

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

POWER FACTOR ADJUSTMENT

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

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

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

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POWER FACTOR ADJUSTMENT (Cont'd)

b. Testing

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

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 1697-A Monmouth Street
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RATE DT

TIME-OF-DAY RATE FOR SERVICE AT DISTRIBUTION VOLTAGE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

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

(b) Demand Charge

Summer	
On Peak kW	\$ 12.75 per kW
Off Peak kW	\$ 1.15 per kW

 Winter

On Peak kW	\$ 12.07 per kW
Off Peak kW	\$ 1.15 per kW

(c) Energy Charge

Summer On Peak kWh	\$0.054118 per kWh
Winter On Peak kWh	\$0.052118 per kWh
Off Peak kWh	\$0.046118 per kWh

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 1697-A Monmouth Street
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Low Load Factor Optional Rate – Pilot Program

Customers with annual load factors of 45% or lower are eligible to receive service at the following rates. Annual load factor is defined as the sum of the kWh during the prior year divided by the sum of the kW during the prior year divided by 730. This pilot program low load factor optional rate will remain in effect through December 31, 2007. The Company may apply to continue this pilot program beyond December 31, 2007, subject to Commission approval.

Base Rate

(a) Customer Charge		
Single Phase	\$ 7.50	per month
Three Phase	\$ 15.00	per month
Primary Voltage Service	\$100.00	per month
(b) Demand Charge		
Summer		
On Peak kW	\$ 11.90	per kW
Off Peak kW	\$ 1.15	per kW
Winter		
On Peak kW	\$ 10.54	per kW
Off Peak kW	\$ 1.15	per kW
(c) Energy Charge		
Summer On Peak kWh	<u>\$0.056780</u>	per kWh
Winter On Peak kWh	<u>\$0.054780</u>	per kWh
Off Peak kWh	<u>\$0.048780</u>	per kWh

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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
 Sheet No. 78, Rider DSMR, Demand Side Management Rider
 Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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

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

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

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RATING PERIODS

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

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

METERING

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

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

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

DEMAND

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

POWER FACTOR ADJUSTMENT

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

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

LATE PAYMENT CHARGE

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

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TERMS AND CONDITIONS

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

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

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

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

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

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

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Duke Energy Kentucky, Inc.
1697-A Monmouth Street
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RATE EH

OPTIONAL RATE FOR ELECTRIC SPACE HEATING

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

A. Winter Period

1. Base Rate

(a) Customer Charge

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

(b) Energy Charge

All kWh \$0.071447 per kWh

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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

The minimum charge shall be the Customer Charge stated above.

B. Summer Billing Period

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

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

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

DEMAND

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

LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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RATE SP

SEASONAL SPORTS SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

- 1. Base Rate
 - (a) Customer Charge \$7.50 per month
 - (b) Energy Charge \$0.110521 per kWh

Deleted: \$0.098380

2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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

RECONNECTION CHARGE

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

LATE PAYMENT CHARGE

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

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TERMS AND CONDITIONS

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

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

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RATE GS-FL

OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

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

\$0.090646 per kWh

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(b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment

\$0.102870 per kWh

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2. Applicable Riders

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

- Sheet No. 78, Rider DSMR, Demand Side Management Rider
- Sheet No. 80, Rider FAC, Fuel Adjustment Clause
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider -- Electric
- Sheet No. 82, Rider PSM, Profit Sharing Mechanism

Minimum: \$3.00 per Fixed Load Location per month.

LATE PAYMENT CHARGE

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

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SERVICE PROVISIONS

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

TERM OF SERVICE

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

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. 2008-00522.

Issued: _____

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Issued by Julie Janson, President

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

KY.P.S.C. Electric No. 2
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Cancels and Supersedes
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RATE DP

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE

APPLICABILITY

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the maximum monthly rate, excluding the customer charge, electric fuel component charges and DSM Charge shall not exceed \$0.229043 per kilowatt-hour (Kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

1. Base Rate

(a) Customer Charge			
Primary Voltage Service (12.5 or 34.5 kV)	\$	100.00	per month
(b) Demand Charge			
All kilowatts	\$	7.08	per kW
(c) Energy Charge			
First 300 kWh/kW		<u>\$0.060991</u>	per kWh
Additional kWh		<u>\$0.053121</u>	per kWh

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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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NET MONTHLY BILL (Contd.)

The minimum charge shall be the Customer Charge shown above.

PRIMARY VOLTAGE METERING DISCOUNT

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

DEMAND

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

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

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

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

POWER FACTOR ADJUSTMENT

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

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

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

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LATE PAYMENT CHARGE

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

TERMS AND CONDITIONS

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

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

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

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

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

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

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RATE TT

TIME-OF-DAY RATE FOR SERVICE AT TRANSMISSION VOLTAGE

APPLICABILITY

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

- 1. Base Rate
 - (a) Customer Charge \$ 500.00 per month
 - (b) Demand Charge
 - Summer
 - On Peak kW \$ 7.60 per kW
 - Off Peak kW \$ 1.15 per kW
 - Winter
 - On Peak kW \$ 6.24 per kW
 - Off Peak kW \$ 1.15 per kW
 - (c) Energy Charge
 - All kWh ~~\$0.052571~~ per kWh

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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 78, Rider DSMR, Demand Side Management Rider
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider -- Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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

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NET MONTHLY BILL (Contd.)

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

RATING PERIODS

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

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

METERING

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

DEMAND

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

POWER FACTOR ADJUSTMENT

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

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

LATE PAYMENT CHARGE

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

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TERMS AND CONDITIONS

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

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

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

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

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

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RATE SL

STREET LIGHTING SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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NET MONTHLY BILL (Contd.)

1. Base Rate

<u>OVERHEAD DISTRIBUTION AREA</u> Fixture Description	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
Standard Fixture (Cobra Head)				
Mercury Vapor				
7,000 lumen	175	0.193	803	\$ 6.96
7,000 lumen (Open Refractor)	175	0.205	853	\$ 5.79
10,000 lumen	250	0.275	1,144	\$ 8.00
21,000 lumen	400	0.430	1,789	\$10.66
Metal Halide				
14,000 lumen	175	0.193	803	\$ 6.96
20,500 lumen	250	0.275	1,144	\$ 8.00
36,000 lumen	400	0.430	1,789	\$10.66
Sodium Vapor				
9,500 lumen	100	0.117	487	\$ 7.78
9,500 lumen (Open Refractor)	100	0.117	487	\$ 5.82
16,000 lumen	150	0.171	711	\$ 8.45
22,000 lumen	200	0.228	948	\$10.95
27,500 lumen	250	0.275	948	\$10.95
50,000 lumen	400	0.471	1,959	\$14.59
Decorative Fixtures				
Sodium Vapor				
9,500 lumen (Rectilinear)	100	0.117	487	\$ 9.69
22,000 lumen (Rectilinear)	200	0.246	1,023	\$11.90
50,000 lumen (Rectilinear)	400	0.471	1,959	\$15.64
50,000 lumen (Setback)	400	0.471	1,959	\$23.43

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

Spans of Secondary Wiring:

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

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NET MONTHLY BILL (Contd.)

<u>UNDERGROUND DISTRIBUTION AREA</u>	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
<u>Fixture Description</u>				
Standard Fixture (Cobra Head)				
Mercury Vapor				
7,000 lumen	175	0.210	874	\$ 7.08
7,000 lumen (Open Refractor)	175	0.205	853	\$ 5.79
10,000 lumen	250	0.292	1,215	\$ 8.13
21,000 lumen	400	0.460	1,914	\$10.89
Metal Halide				
14,000 lumen	175	0.210	874	\$ 7.08
20,500 lumen	250	0.292	1,215	\$ 8.13
36,000 lumen	400	0.460	1,914	\$10.89
Sodium Vapor				
9,500 lumen	100	0.117	487	\$ 7.78
9,500 lumen (Open Refractor)	100	0.117	487	\$ 5.90
16,000 lumen	150	0.171	711	\$ 8.42
22,000 lumen	200	0.228	948	\$10.95
50,000 lumen	400	0.471	1,959	\$14.59
Decorative Fixtures				
Mercury Vapor				
7,000 lumen (Town & Country)	175	0.205	853	\$ 7.33
7,000 lumen (Holophane)	175	0.210	874	\$ 9.24
7,000 lumen (Gas Replica)	175	0.210	874	\$21.32
7,000 lumen (Granville)	175	0.205	853	\$ 7.41
7,000 lumen (Aspen)	175	0.210	874	\$13.45
Metal Halide				
14,000 lumen (Traditionaire)	175	0.205	853	\$ 7.33
14,000 lumen (Granville Acorn)	175	0.210	874	\$13.45
14,000 lumen (Gas Replica)	175	0.210	874	\$21.41
Sodium Vapor				
9,500 lumen (Town & Country)	100	0.117	487	\$10.84
9,500 lumen (Holophane)	100	0.128	532	\$11.74
9,500 lumen (Rectilinear)	100	0.117	487	\$ 8.74
9,500 lumen (Gas Replica)	100	0.128	532	\$22.16
9,500 lumen (Aspen)	100	0.128	532	\$13.69
9,500 lumen (Traditionaire)	100	0.117	487	\$10.84
9,500 lumen (Granville Acorn)	100	0.128	532	\$13.69
22,000 lumen (Rectilinear)	200	0.246	1,023	\$11.96
50,000 lumen (Rectilinear)	400	0.471	1,959	\$15.70
50,000 lumen (Setback)	400	0.471	1,959	\$23.43

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NET MONTHLY BILL (Contd.)

	<u>Pole Type</u>	<u>Rate/Pole</u>
POLE CHARGES		
Pole Description		
Wood		
17 foot (Wood Laminated) (a)	W17	\$ 4.40
30 foot	W30	\$ 4.34
35 foot	W35	\$ 4.40
40 foot	W40	\$ 5.27
Aluminum		
12 foot (decorative)	A12	\$11.97
28 foot	A28	\$ 6.94
28 foot (heavy duty)	A28H	\$ 7.01
30 foot (anchor base)	A30	\$13.86
Fiberglass		
17 foot	F17	\$ 4.40
12 foot (decorative)	F12	\$12.87
30 foot (bronze)	F30	\$ 8.38
35 foot (bronze)	F35	\$ 8.60
Steel		
27 foot (11 gauge)	S27	\$11.31
27 foot (3 gauge)	S27H	\$17.05

Spans of Secondary Wiring:

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

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

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

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of ~~\$0.033760~~ per kilowatt-hour reflecting the base cost of fuel.

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3. Applicable Riders . The following riders are applicable pursuant to the specific terms contained within each rider:

- Sheet No. 80, Rider FAC, Fuel Adjustment Clause
- Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
- Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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

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SERVICE REGULATIONS

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RATE TL

TRAFFIC LIGHTING SERVICE

APPLICABILITY

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

TYPE OF SERVICE

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

NET MONTHLY BILL

Computed in accordance with the following charges:

1. Base Rate

(a) Where the Company supplies energy only, all kilowatt-hours shall be billed at \$0.047989 per kilowatt-hour;

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(b) Where the Company supplies energy from a separately metered source and the Company has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.021078 per kilowatt-hour.

(c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment, all kilowatt-hours shall be billed at \$0.069068 per kilowatt-hour.

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2. Applicable Riders

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

Sheet No. 80, Rider FAC, Fuel Adjustment Clause

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

Sheet No. 82, Rider PSM, Profit Sharing Mechanism

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____
in Case No 2008-00522.

Issued: _____

Effective: _____

Issued by Julie Janson, President

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

GENERAL CONDITIONS

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

LIMITED MAINTENANCE

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

SERVICE REGULATIONS

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

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

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RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE

APPLICABILITY

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

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

CONTRACT FOR SERVICE

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

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

LIGHTING HOURS

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

NET MONTHLY BILL

Computed in accordance with the following charge:

1. Base Rate
All kWh \$.047404 per kWh

2. Applicable Riders
The following riders are applicable pursuant to the specific terms contained within each rider:
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

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LATE PAYMENT CHARGE

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

OWNERSHIP OF SERVICE LINES

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

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

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

SERVICE REGULATIONS

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

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RATE OL

OUTDOOR LIGHTING SERVICE

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

1. Base Rate

A. Private outdoor lighting units:

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

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NET MONTHLY BILL (Contd.)

	Lamp Watts	kW/ Luminaire	Annual kWh	Rate/Unit
Standard Fixtures (Cobra Head)				
Mercury Vapor				
7,000 lumen (Open Refractor)	175	0.205	853	\$ 8.58
7,000 lumen	175	0.210	874	\$11.01
10,000 lumen	250	0.292	1,215	\$12.81
21,000 lumen	400	0.460	1,914	\$16.39
Metal Halide				
14,000 lumen	175	0.210	874	\$11.01
20,500 lumen	250	0.307	1,215	\$12.83
36,000 lumen	400	0.460	1,914	\$16.39
Sodium Vapor				
9,500 lumen (Open Refractor)	100	0.117	487	\$ 7.59
9,500 lumen	100	0.117	487	\$ 9.90
16,000 lumen	150	0.171	711	\$11.14
22,000 lumen	200	0.228	948	\$12.29
27,500 lumen	250	0.228	948	\$12.29
50,000 lumen	400	0.471	1,959	\$14.17
Decorative Fixtures (a)				
Mercury Vapor				
7,000 lumen (Town & Country)	175	0.205	853	\$13.23
7,000 lumen (Holophane)	175	0.210	874	\$17.08
7,000 lumen (Gas Replica)	175	0.210	874	\$41.50
7,000 lumen (Aspen)	175	0.210	874	\$25.61
Sodium Vapor				
9,500 lumen (Town & Country)	100	0.117	487	\$21.01
9,500 lumen (Holophane)	100	0.128	532	\$22.76
9,500 lumen (Rectilinear)	100	0.117	487	\$18.70
9,500 lumen (Gas Replica)	100	0.128	532	\$43.84
9,500 lumen (Aspen)	100	0.128	532	\$26.53
9,500 lumen (Traditionaire)	100	0.117	487	\$21.01
9,500 lumen (Granville Acorn)	100	0.128	532	\$26.53
22,000 lumen (Rectilinear)	200	0.246	1,023	\$22.18
50,000 lumen (Rectilinear)	400	0.471	1,959	\$28.02
50,000 lumen (Setback)	400	0.471	1,959	\$43.79

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

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NET MONTHLY BILL (Contd.)

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

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

	Lamp Watts	kW/ Luminaire	Annual kWh	Rate/Unit
Mercury Vapor 21,000 lumen	400	0.460	1,914	\$16.40
Metal Halide 20,500 lumen	250	0.307	1,215	\$12.81
36,000 lumen	400	0.460	1,914	\$16.40
Sodium Vapor 22,000 lumen	200	0.246	1,023	\$12.19
30,000 lumen	250	0.312	1,023	\$12.19
50,000 lumen	400	0.480	1,997	\$14.98

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

2. Base Fuel Cost

All kilowatt-hour shall be subject to a charge of \$0.033760 per kilowatt-hour reflecting the base cost of fuel.

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3. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
 Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 Sheet No. 82, Rider PSM, Profit Sharing Mechanism

LATE PAYMENT CHARGE

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

GENERAL CONDITIONS

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

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1697-A Monmouth Street
Newport, Kentucky 41071

GENERAL CONDITIONS (Contd.)

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

TERM OF SERVICE

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

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

SERVICE REGULATIONS

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

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RATE NSU

**STREET LIGHTING SERVICE
 NON-STANDARD UNITS**

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate

A. Company owned

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
1. Boulevard units served underground				
a. 2,500 lumen Incandescent - Series	148	0.148	616	\$ 9.11
b. 2,500 lumen Incandescent - Multiple	189	0.189	786	\$ 7.01
2. Holophane Decorative fixture on 17 foot fiberglass pole served underground with direct buried cable				
a. 10,000 lumen Mercury Vapor	250	0.292	1,215	\$16.56

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NET MONTHLY BILL (Contd.)

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

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
3. Street light units served overhead distribution				
a. 2,500 lumen Incandescent	189	0.189	786	\$ 6.95
b. 2,500 lumen Mercury Vapor	100	0.109	453	\$ 6.63
c. 21,000 lumen Mercury Vapor	400	0.460	1,914	\$10.30

B. Customer owned

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
1. Steel boulevard units served underground with limited maintenance by Company				
a. 2,500 lumen Incandescent – Series	148	0.148	616	\$ 5.33
b. 2,500 lumen Incandescent – Multiple	189	0.189	786	\$ 6.77

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.033760 per kilowatt-hour reflecting the base cost of fuel.

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3. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
 Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 Sheet No. 82, Rider PSM, Profit Sharing Mechanism

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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GENERAL CONDITIONS (Contd.)

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

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

SERVICE REGULATIONS

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

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RATE NSP

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
2,500 lumen Mercury, Open Refractor.....	100	0.115	478	\$ 7.71
2,500 lumen Mercury, Enclosed Refractor.....	100	0.115	478	\$10.58

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NET MONTHLY BILL (Contd.)

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

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

	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
7,000 lumens Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	\$14.39
7,000 lumen Mercury, Mounted on a 17-foot Wood Laminated Pole (a)	175	0.205	853	\$14.39
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole	175	0.205	853	\$13.29
9,500 lumen Sodium Vapor, TC 100 R	100	0.117	487	\$11.13

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

C. Flood lighting units served in overhead distribution areas:

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

	Lamp Watt	kW/Fixture	Annual kWh	Rate/Unit
52,000 lumen Mercury (35-foot Wood Pole)	1,000	1.102	4,584	\$27.70
52,000 lumen Mercury (50-foot Wood Pole)	1,000	1.102	4,584	\$31.31
50,000 lumen Sodium Vapor	400	0.471	1,959	\$19.43

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.033760 per kilowatt-hour reflecting the base cost of fuel.

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3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider:
 Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 Sheet No. 82, Rider PSM, Profit Sharing Mechanism

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

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GENERAL CONDITIONS

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

SERVICE REGULATIONS

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

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in
Case No. 2008-00522.

Issued: _____

Effective: _____

Issued by Julie Janson, President

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

KY.P.S.C. Electric No. 2
 Second Revised Sheet No. 68
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RATE SC

STREET LIGHTING SERVICE - CUSTOMER OWNED

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

1. Base Rate	Lamp Watts	kW/Unit	Annual kWh	Rate/Unit
Fixture Description				
Standard Fixture (Cobra Head)				
Mercury Vapor				
7,000 lumen	175	0.193	803	\$4.04
10,000 lumen	250	0.275	1,144	\$5.12
21,000 lumen	400	0.430	1,789	\$7.07
Metal Halide				
14,000 lumen	175	0.193	803	\$4.04
20,500 lumen	250	0.275	1,144	\$5.12
36,000 lumen	400	0.430	1,789	\$7.07

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NET MONTHLY BILL (Contd.)

	<u>Lamp Watt</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Rate/Unit</u>
Sodium Vapor				
9,500 lumen	100	0.117	487	\$4.95
16,000 lumen	150	0.171	711	\$5.49
22,000 lumen	200	0.228	948	\$5.99
27,500 lumen	250	0.228	948	\$5.99
50,000 lumen	400	0.471	1,959	\$8.00
Decorative Fixture				
Mercury Vapor				
7,000 lumen (Holophane)	175	0.210	874	\$5.16
7,000 lumen (Town & Country)	175	0.205	853	\$5.12
7,000 lumen (Gas Replica)	175	0.210	874	\$5.16
7,000 lumen (Aspen)	175	0.210	874	\$5.16
Metal Halide				
14,000 lumen (Traditionaire)	175	0.205	853	\$5.12
14,000 lumen (Granville Acorn)	175	0.210	874	\$5.16
14,000 lumen (Gas Replica)	175	0.210	874	\$5.16
Sodium Vapor				
9,500 lumen (Town & Country)	100	0.117	487	\$4.87
9,500 lumen (Traditionaire)	100	0.117	487	\$4.87
9,500 lumen (Granville Acorn)	100	0.128	532	\$5.08
9,500 lumen (Rectilinear)	100	0.117	487	\$4.87
9,500 lumen (Aspen)	100	0.128	532	\$5.08
9,500 lumen (Holophane)	100	0.128	532	\$5.08
9,500 lumen (Gas Replica)	100	0.128	532	\$5.08
22,000 lumen (Rectilinear)	200	0.246	1,023	\$6.35
50,000 lumen (Rectilinear)	400	0.471	1,959	\$8.29

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

<u>Pole Description</u>	<u>Pole Type</u>	<u>Rate/Pole</u>
Wood		
30 foot	W30	\$4.34
35 foot	W35	\$4.40
40 foot	W40	\$5.27

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NET MONTHLY BILL (Contd.)

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be ~~\$0.047404~~ per kilowatt-hour which includes the base fuel cost rate stated below. The monthly kilowatt-hour usage will be mutually agreed upon between the Company and the customer. Where the average monthly usage is less than 150 kWh per point of delivery, the customer shall pay the Company, in addition to the monthly charge, the cost of providing electric service on the basis of time and material plus overhead charges. An estimate of the cost will be submitted for approval before work is carried out.

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2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of ~~\$0.033760~~ per kilowatt-hour reflecting the base cost of fuel.

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3. Applicable Riders

The following riders are applicable to the specific terms contained within each rider:
Sheet No. 80, Rider FAC, Fuel Adjustment Clause
Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider -- Electric
Sheet No. 82, Rider PSM, Profit Sharing Mechanism

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

GENERAL CONDITIONS

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

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

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GENERAL CONDITIONS (Contd.)

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

In cases of vandalism, the Company will repair the damaged property and the customer shall pay for such repair on a time and material basis, plus overhead charges, unless in the judgment of the Company no charge should be made. An estimate of the cost will be submitted for approval before work is carried out.
- (6) When a customer owned lighting unit becomes inoperative the cost of repair, replacement or removal of the unit will be at the customer's expense.
- (7) All lights installed on an overhead distribution system will be installed by Company under a separate contract with customer.

SERVICE REGULATIONS

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

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Duke Energy Kentucky, Inc.
1697-A Monmouth Street
Newport, Kentucky 4107

RATE SE

STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

APPLICABILITY

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

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

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

TYPE OF SERVICE

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

NET MONTHLY BILL

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

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

1. Base Rate

Fixture Description	Lamp Watt	kW/Unit	Annual kWh	Rate/Unit
<u>Decorative Fixtures</u>				
<u>Mercury Vapor</u>				
7,000 lumen (Town & Country)	175	0.205	853	\$ 7.13
7,000 lumen (Holophane)	175	0.210	874	\$ 7.16
7,000 lumen (Gas Replica)	175	0.210	874	\$ 7.16
7,000 lumen (Aspen)	175	0.210	874	\$ 7.16
<u>Metal Halide</u>				
14,000 lumen (Traditionaire)	175	0.205	853	\$ 7.13
14,000 lumen (Granville Acorn)	175	0.210	874	\$ 7.16
14,000 lumen (Gas Replica)	175	0.210	874	\$ 7.16
<u>Sodium Vapor</u>				
9,500 lumen (Town & Country)	100	0.117	487	\$ 7.86
9,500 lumen (Holophane)	100	0.128	532	\$ 7.95
9,500 lumen (Rectilinear)	100	0.117	487	\$ 7.86
9,500 lumen (Gas Replica)	100	0.128	532	\$ 7.94
9,500 lumen (Aspen)	100	0.128	532	\$ 7.94
9,500 lumen (Traditionaire)	100	0.117	487	\$ 7.86
9,500 lumen (Granville Acorn)	100	0.128	532	\$ 7.94
22,000 lumen (Rectilinear)	200	0.246	1,023	\$11.23
50,000 lumen (Rectilinear)	400	0.471	1,959	\$14.75
50,000 lumen (Setback)	400	0.471	1,959	\$14.75

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

2. Base Fuel Cost

All kilowatt-hours shall be subject to a charge of \$0.033760 per kilowatt-hour reflecting the base cost of fuel.

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3. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:
 Sheet No. 80, Rider FAC, Fuel Adjustment Clause
 Sheet No. 81, Rider MSR-E, Merger Savings Credit Rider – Electric
 Sheet No. 82, Rider PSM, Profit Sharing Mechanism

LATE PAYMENT CHARGE

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

TERM OF SERVICE

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

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Duke Energy Kentucky, Inc.
1697-A Monmouth Street
Newport, Kentucky 4107

GENERAL CONDITIONS

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

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

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

SERVICE REGULATIONS

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

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**RIDER FAC
FUEL ADJUSTMENT CLAUSE**

APPLICABLE

In all territory service.

AVAILABILITY OF SERVICE

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

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

$$\text{Fuel Cost Adjustment} = \frac{F(m)}{S(m)} - \$0.033760 \text{ per kWh}$$

(I)

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

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

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Duke Energy Kentucky
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Newport, KY 41071

AVAILABILITY OF SERVICE (Contd.)

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

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

Add:

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

Subtract:

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

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