

**RIDER PPS
PREMIER POWER SERVICE**

AVAILABILITY

Applicable to qualifying non-residential Customers, on a voluntary basis, served under Rates DS, DP, DT or Special Contracts. Customers must enter into a service agreement with Company under this rider.

PROGRAM DESCRIPTION

Under the terms of this program, the Company will own, install, operate and maintain on-site equipment such as on-site generators, fly-wheel, and Uninterruptible Power Supply (UPS) systems designed to provide a supply of electricity to the Customer's facility in the event that the primary supply of electricity is interrupted. The minimum size of on-site generators provided under this program will have a nameplate rating of 50 kW. The generator and associated business continuity support equipment will be located on the Customer's premises at a mutually agreed upon location. The generator and associated business continuity support equipment will be connected on the Company's (line) side of Company's billing meter. Customer will be billed for all usage registered on the Company's billing meter under the applicable rate schedule.

RATE

Each qualifying customer's individual monthly rate calculated for each customer for this service will be determined as follows:

Monthly Service Payment = Estimated Levelized Capital Cost + Estimated Expenses

Where:

Levelized Capital Cost is equal to the present value of all estimated capital related cash flows for a period corresponding to the time of engineering, design and installation of equipment through the term of the contract, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated capital cash flows shall include estimated installed cost of equipment, contingency allowances, salvage value, adjustment to reflect additional supporting investment of general plant nature, and income tax impacts.

Expenses shall equal the present value of estimated expenses associated with the support and maintenance of the generation and support equipment, adjusted to a pre-tax amount and converted to a uniform monthly payment for the term of the contract. The estimated expenses shall include administrative and general expenses, expenses for labor and materials related to operations and maintenance, third party expenses for operations and maintenance, warranties, insurance, annual costs associated with working capital, fuel inventory, depreciation, property tax, other costs related to the operation and support of the generator system installation, and income tax impacts..

The after tax cost of capital from the Company's most recent general rate case will be used to convert present values to uniform monthly payments.

Issued by authority of an Order by the Kentucky Public Service Commission dated March 7, 2016 in Case No. 2015-00347.

Issued: March 9, 2016
Effective: March 7, 2016
Issued by: /s/ James P. Henning, President

CANCELLED
APR 14 2018
KENTUCKY PUBLIC SERVICE COMMISSION

KENTUCKY PUBLIC SERVICE COMMISSION
James W. Gardner ACTING EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 3/7/2016 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Duke Energy Kentucky, Inc.
4580 Olympic Blvd.
Erlanger, Kentucky 41018

KY.P.S.C. Electric No. 2
Original Sheet No. 70
Page 2 of 2

MONTHLY BILL

Customer's monthly bill for all services under this rider will appear on their regular monthly electric bill as a line item.

CONTRACT

As provided in the Premier Power Service Agreement (Agreement), customer shall enter into a contract for Premier Power Service from the Company for an initial term of ten (10) years, or other term at the Company's option, and thereafter from year to year upon the condition that either party may terminate the contract by giving a minimum of ninety (90) days notice of such termination in writing. In the event of early termination of the Agreement under this program, the Customer may be required to pay the Company a termination fee as set forth in the Agreement.

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