

**RATE RTP
REAL TIME PRICING PROGRAM**

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis until withdrawn or amended by the Company or otherwise ordered by the Kentucky Public Service Commission. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (T)

PROGRAM DESCRIPTION

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

CUSTOMER BASELINE LOAD

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

RTP BILLING

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

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

Where:

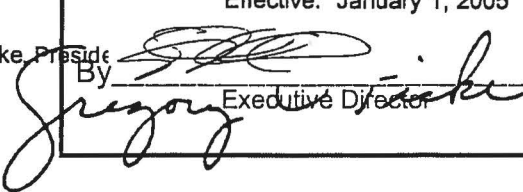
- BC = Baseline Charge
- PC = Program Charge
- DSMR = Rider DSMR Charge
- CC_t = Commodity Charge for hour t
- ED_t = Energy Delivery Charge for hour t
- ASC_t = Ancillary Services Charge for hour t
- AL_t = Customer Actual Load for hour t
- CBL_t = Customer Baseline Load in hour t
- n = total number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

BASELINE CHARGE

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

Issued by authority of the Kentucky Public Service Commission pursuant to Resolution No. 22, December 22, 2004 in Case No. 2004-00509.
Issued: January 10, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/1/2005
RESOLUTION NO. 22, DECEMBER 22, 2004
SECTION 9 (1)
Effective: January 1, 2005

By: 
Executive Director

Issued by Gregory C. Ficke, President

C 4/1/05

The Union Light, Heat and Power Company
1697 A Monmouth Street
Newport, Kentucky 41071

Ky. P.S.C. Electric No. 4
Fourth Revised Sheet No. 99
Cancels and Supersedes
Third Revised Sheet No. 99
Page 2 of 4

BASELINE CHARGE (Contd.)

The Baseline Charge will be calculated as follows:

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

Where:

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

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

PRICE QUOTES

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

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

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

COMMODITY CHARGE

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

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

For kWh_t above the CBL, $CC_t = MGC_t \times 110\% \times LAF$
For kWh_t below the CBL, $CC_t = MGC_t \times 90\% \times LAF$

Where:

LAF = loss adjustment factor
= 1.0530 for transmission service
= 1.0800 for distribution service
= 1.1100 for secondary service

MGC_t = the lessor of $CMGC_t$ or $WFGC_t$ for hour t on a \$/kilowatt-hour basis

$CMGC_t$ = Cinergy's marginal operating cost for hour t + Cinergy's marginal cost of capacity for hour t

$WFGC_t$ = Cost of firm generation capacity and energy in the wholesale market for hour t based on day ahead price quotes

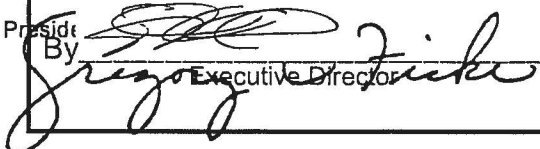
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SECTION 9 (1)
Effective: January 1, 2005

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By 
Executive Director

C 4/1/05

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Fourth Revised Sheet No. 99
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Page 3 of 4

COMMODITY CHARGE (Contd.)

Cinergy's marginal cost of capacity for any hour t will be based on an analysis of expected reserve margin versus Cinergy's marginal cost of capacity. A table showing the values to be used for the RTP Program will be provided upon request.

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

ENERGY DELIVER CHARGE

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

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

Secondary Service	\$0.004800 per kW Per Hour
Primary Service	\$0.004600 per kW Per Hour
Transmission Service	\$0.001600 per kW Per Hour

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

ANCILLARY SERVICES CHARGE

The hourly Ancillary Services Charge is a charge for:

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

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

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

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

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

DSMR Charge

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

PROGRAM CHARGE

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

Issued by authority of the Kentucky Public Service Commission pursuant to its Order dated December 22, 2004 in Case No. 2004-00509.

Issued: January 10, 2005

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1/1/2005
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Effective: January 1, 2005

Issued by Gregory C. Ficke, Presid

By 
Executive Director

4/1/05

The Union Light, Heat and Power Company
1697 A Monmouth Street
Newport, Kentucky 41071

Ky. P.S.C. Electric No. 4
Fourth Revised Sheet No. 99
Cancels and Supersedes
Third Revised Sheet No. 99
Page 4 of 4

PROGRAM CHARGE (Contd.)

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

SPECIAL TERM AND CONDITIONS

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

Customers receiving service under Rider IS or a special contract that contains an interruptible service provision will be eligible to participate in the RTP Program. Adjustments will be made to the CBL to reflect the interruptible service.

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

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

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

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

Issued by authority of the Kentucky Public Service Commission pursuant to its Order No. 2004-00509, in Case No. 2004-00509. Effective: January 10, 2005

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Effective: January 1, 2005

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Effective: January 1, 2005

Issued by Gregory C. Ficke, President

By

Executive Director

Gregory C. Ficke

4/1/05

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Electric No. 4
Sheet No. 78.7
Cancels and Supersedes
Sheet No. 78.6
Page 1 of 1

RIDER DSMR
DEMAND SIDE MANAGEMENT RATE

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

The DSMR to be applied to residential customer bills beginning with the January 2004 revenue month is 0.1346 cents per kilowatt-hour. (I)

The DSMR to be applied to non-residential service customer bills beginning with the January 2004 revenue month for distribution service is (0.04090) cents per kilowatt-hour, and 0.00000 cents per kilowatt-hour for transmission service. (R)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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SECTION 9 (1)

BY Charles L. Dorn
EXECUTIVE DIRECTOR

Issued by authority of an Order by the Kentucky Public Service Commission, dated November 20, 2003 in Case No. 2003-00367.

Issued: November 21, 2003

Effective: January 2, 2004

Issued by Gregory C. Ficke, President

C
3/2/2005
Gregory C Ficke

**RATE RTP
REAL TIME PRICING PROGRAM**

APPLICABILITY

Applicable to Customers served under Rate DS, Rate DT, Rate DP or Rate TT. Service under the RTP Program will be offered on an experimental basis through December 31, 2004. The incremental cost of any special metering required for service under this Program beyond that normally provided under the applicable Standard Tariff shall be borne by the Customer. Customers must enter into a written service agreement with a minimum term of one year. (T)

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

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

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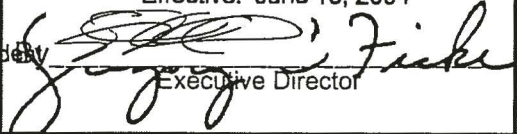
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Issued: June 16, 2004

Issued by Gregory C. Ficke, President

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Effective: June 18, 2004


Executive Director

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky. P.S.C. Electric No. 4
Third Revised Sheet No. 99
Cancels and Supersedes
Second Revised Sheet No. 99
Page 2 of 4

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PUBLIC SERVICE COMMISSION
OF KENTUCKY

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Effective: June 18, 2004

Executive Director

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky. P.S.C. Electric No. 4
Third Revised Sheet No. 99
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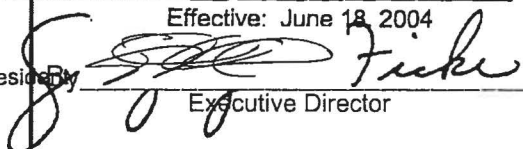
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Executive Director

Issued by Gregory C. Ficke, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky. P.S.C. Electric No. 4
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Executive Director