Duke Energy Kentucky, Inc. 4580 Olympic Blvd. Erlanger, Kentucky 41018 KY.P.S.C. Electric No. 2 Sixth Revised Sheet No. 42 Cancels and Supersedes Fifth Revised Sheet No. 42 Page 1 of 2

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 Three Phase Service Primary Voltage Service

(b) Energy Charge All kWh \$ 7.50 per month

\$ 15.00 per month

\$ 100.00 per month

\$0.066804 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

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in accordance with the provisions of the applicable Rate DS or Rate DP.

Issued by authority of an Order of the Kentucky Public Service Commission dated August 11, 2015 in Case No. 2014-00454.

Issued: August 14, 2015 Effective: August 31, 2015

Issued by James P. Henning, President

PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN

EXECUTIVE DIRECTOR

TARIFF BRANCH

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8/31/2015

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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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.

CANCELLED

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KENTUCKY PUBLIC SERVICE COMMISSION

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