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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Duke Energy Ohio, Inc.)	Case No. 08-709-EL-AIR
For an Increase in Electric Rates)	
)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc.)	Case No. 08-710-EL-ATA
For Tariff Approval)	
)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc. for Approval)	Case No. 08-711-EL-AAM
To Change Accounting Methods)	

VOLUME 3

SCHEDULE F
SCHEDULE S-1
SCHEDULE S-2
SCHEDULE S-3
SCHEDULE S-4.1

July 25, 2008

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Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 08-709-EL-AIR

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY OHIO, INC.
FOR AUTHORITY TO INCREASE
ITS ELECTRIC DISTRIBUTION RATES FOR SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION F

SECTION F
PROJECTED FINANCIAL DATA
DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR

Test Year: Twelve Months Ended December 31, 2008

Post Test Year: Twelve Months Ended December 31, 2009

Date Certain: March 31, 2008

Schedules

F-1	Projected income statement (current rates)
F-1A	Projected income statement (proposed rates)
F-2	Projected jurisdictional rate base summary (current rates)
F-2A	Projected jurisdictional rate base summary (proposed rates)
F-2.1	Projected plant in service by major property grouping (current rates)
F-2.1A	Projected plant in service by major property grouping (proposed rates)
F-3	Projected capital structure (current rates)
F-3A	Projected capital structure (proposed rates)
F-4	Projected statement of changes in financial position (present rates)
F-4A	Projected statement of changes in financial position (proposed rates)

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED JURISDICTIONAL INCOME STATEMENT
(CURRENT RATES)

FILE DATE:
PROJECTED FROM 1/1/09 TO 12/31/09

SCHEDULE F-1
PAGE 1 of 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

Line No.	Description	Total (in dollars)
1	Operating Revenues	<u>\$2,962,550,661</u>
2	Operating Expenses	
3	Cost of Goods sold	\$1,167,179,356
4	Operation & Maintenance	\$763,810,662
5	Depreciation/Amortization	\$351,963,912
6	Taxes Other than Income Taxes	\$258,199,147
7	Current Taxes	\$145,318,981
8	Deferred Income Taxes	(\$20,513,000)
9	Investment tax credit amortization	(\$2,200,000)
10	Total Operating Exp.	<u>\$2,663,759,058</u>
11	Net Operating Income	\$298,791,603
12	Other Income and Deductions	\$14,226,853
13	Net Interest Charges	\$85,500,148
14	Net Income	<u>\$227,518,308</u>
15	Preferred Dividends	
16	Available for Common Stock	<u>\$227,518,308</u>

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED JURISDICTIONAL INCOME STATEMENT
(PROPOSED RATES)

FILE DATE:
PROJECTED FROM 1/1/09 TO 12/31/09

SCHEDULE F-1A
PAGE 1 of 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

Line No.	Description	Total (in dollars)
1	Operating Revenues	<u>\$3,005,352,887</u>
2	Operating Expenses	
3	Cost of Goods sold	\$1,167,179,356
4	Operation & Maintenance	\$763,810,662
5	Depreciation/Amortization	\$351,963,912
6	Taxes Other than Income Taxes	\$258,199,147
7	Current Taxes	\$160,307,398
8	Deferred Income Taxes	(\$20,513,000)
9	Investment tax credit amortization	(\$2,200,000)
10	Total Operating Exp.	<u>\$2,678,747,475</u>
11	Net Operating Income	\$326,605,411
12	Other Income and Deductions	\$14,226,853
13	Net Interest Charges	\$85,500,148
14	Net Income	<u><u>\$255,332,117</u></u>
15	Preferred Dividends	
16	Available for Common Stock	<u><u>\$255,332,117</u></u>

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED JURISDICTIONAL RATE BASE SUMMARY
(CURRENT RATES and PROPOSED RATES)
December 31, 2009

PROJECTED DATE CERTAIN:

SCHEDULE F-2 & F-2A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

LINE NO.	DESCRIPTION	Total (in dollars)
1	Plant in service	\$8,944,777,850
2	Less reserve for accumulated depreciation	(\$1,887,312,573)
3	Net Plant in service	<u>\$7,057,465,278</u>
4	Materials and Supplies	\$141,749,869
5	Investment Tax Credits	(\$6,327,797)
6	Deferred Income Taxes	(\$1,283,661,292)
7	Jurisdictional rate base	<u>\$5,909,226,057</u>

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED PLANT IN SERVICE BY MAJOR PROPERTY GROUPINGS
(CURRENT RATES and PROPOSED RATES)
December 31, 2009

SCHEDULE F-2.1 & F-2.1A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

PROJECTED DATE CERTAIN:

LINE NO.	MAJOR PROPERTY GROUPINGS	TOTAL (in dollars)
1	Production	\$4,727,735,979
2	Transmission	\$616,921,984
3	Distribution	\$3,222,430,781
4	General	\$33,089,598
5	Common	\$344,599,509
7	Total	<u><u>\$8,944,777,850</u></u>

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED CAPITAL STRUCTURE
(CURRENT RATES)

DATE OF CAPITAL STRUCTURE: DECEMBER 31, 2009
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE F-3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

LINE NO.	CLASS OF CAPITAL	WORKING PAPER REFERENCE	AMOUNT	% OF TOTAL	% OF COST	% WEIGHTED COST
		(A)	(B)	(C)	(D)	(E)
1	Long-term debt	WPF-3a	1,889,600,079	43.0%	6.05% (A)	2.60%
2	Preferred stock	WPF-3b	0	0.0%	0.00%	0.00%
3	Common equity	WPF-3c	<u>2,501,558,629</u>	<u>57.0%</u>	11.00%	<u>6.27%</u>
4	Total capital		<u>4,391,158,708</u>	<u>100.0%</u>		<u>8.87%</u>
5	Short-term debt	WPF-3d	<u>114,546,519</u>			

(A) DEO embedded cost of long-term debt exclusive of pollution control bonds.

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED CAPITAL STRUCTURE
(PROPOSED RATES)

DATE OF CAPITAL STRUCTURE: DECEMBER 31, 2009
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE F-3A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

LINE NO.	CLASS OF CAPITAL	SCHEDULE/ WORK PAPER REFERENCE	AMOUNT	% OF TOTAL	% OF COST	% WEIGHTED COST
		(A)	(B)	(C)	(D)	(E)
1	Long-term debt	Sch F-3	1,889,600,079	42.8%	6.05% (A)	2.59%
2	Preferred stock	Sch F-3	0	0.0%	0.00%	0.00%
3	Common equity	WPF-3c	<u>2,529,372,437</u>	<u>57.2%</u>	11.00%	<u>6.29%</u>
4	Total capital		<u>4,418,972,516</u>	<u>100.0%</u>		<u>8.88%</u>
5	Short-term debt	WPF-3d	<u>86,732,711</u>			

(A) DEO embedded cost of long-term debt exclusive of pollution control bonds.

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
PROJECTED STATEMENT OF CHANGES IN FINANCIAL POSITION
(CURRENT RATES and PROPOSED RATES)

PROJECTED FROM 1/1/09 TO 12/31/09

SCHEDULE F-4 & F-4A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

PROJECTED FROM 1/1/09 TO 12/31/09 (CURRENT RATES and PROPOSED RATES)			
LINE NO.	DESCRIPTION	CURRENT RATES (in dollars)	PROPOSED RATES (in dollars)
1	Cash Flows From Operating Activities:		
2	Net income	\$227,518,308	\$255,332,117
3	Depreciation and depletion of PP&E	\$280,829,462	\$280,829,462
4	Amortization of DDE	\$2,670,183	\$2,670,183
5	Amortization of other assets	\$71,134,450	\$71,134,450
6	Deferred income taxes	(\$20,513,000)	(\$20,513,000)
7	Investment tax credit amortization	(\$2,200,000)	(\$2,200,000)
8	Contribution to company-sponsored pension plan	(\$4,200,000)	(\$4,200,000)
9	Realized and unrealized gains on MTM & hedging	\$23,641,485	\$23,641,485
10	Receivables	\$12,465,082	\$12,465,082
11	Accounts payable	(\$505,855)	(\$505,855)
12	Income taxes accrued	\$34,902,000	\$34,902,000
13	Taxes other than income accrued	\$14,173,809	\$14,173,809
14	Interest accrued	\$792,899	\$792,899
15	Equity AFUDC	(\$2,474,160)	(\$2,474,160)
16	Other long-term assets	\$41,478,085	\$41,478,085
17	Other long-term liabilities	\$11,580,148	\$11,580,148
18	Other current assets	(\$5,453,000)	(\$5,453,000)
19	Other current liabilities	\$360,570	\$360,570
20	Net Cash from Operating Activities	\$686,200,467	\$714,014,276
21			
22	Cash Flows From Investing Activities:		
23	Capex - maintenance	(\$321,163,346)	(\$321,163,346)
24	Capex - environmental	(\$57,762,000)	(\$57,762,000)
25	Capex - expansion	(\$93,004,934)	(\$93,004,934)
26	Restricted funds held in deposit	\$37,332,000	\$37,332,000
27	Net Cash from Investing Activities	(\$434,598,280)	(\$434,598,280)
28			
29	Cash Flows From Financing Activities:		
30	Issuance of long-term debt	\$0	\$0
31	Payments of long-term debt	(\$7,853,927)	(\$7,853,927)
32	Notes payable and commercial paper	\$27,751,739	(\$62,069)
33	Equity infusions between parents and subs	(\$271,500,000)	(\$271,500,000)
34	Net Cash from Financing Activities	(\$251,602,188)	(\$279,415,996)
35			
36	Net change in cash and cash equivalents	\$0	\$0

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 08-709-EL-AIR

IN THE MATTER OF THE APPLICATION
OF DUKE ENERGY OHIO, INC.
FOR AUTHORITY TO INCREASE
ITS ELECTRIC DISTRIBUTION RATES FOR SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SUPPLEMENTAL FILING REQUIREMENTS

SUPPLEMENTAL FILING REQUIREMENTS

DUKE ENERGY OHIO, INC.

CASE NO. 08-709-EL-AIR

Test Year: Twelve Months Ended December 31, 2008

Date Certain: March 31, 2008

Schedules

- S-1 Five-Year Projected Jurisdictional Capital Expenditures**
- S-2, P1 Five-Year Projected Jurisdictional Income Statement**
- S-2, P2 Five-Year Projected Balance Sheet Items**
- S-2, P3 Statement of Changes in Financial Position**
- S-2, P4 Assumptions for Five-Year Projection**
- S-2, P5 Load Forecast and Mix of Generation**
- S-3 Proposed Newspaper Notice**
- S-4.1 Executive Summary of Corporate Process (separate volume)**

DUKE ENERGY OHIO
CASE NO. 08-709-EL-AIR
MOST RECENT FIVE YEAR CAPITAL EXPENDITURE BUDGET
2009 - 2013
(\$000 Omitted)

SCHEDULE S-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
STEPHEN R. LEE

DATA: FIVE (5) YEAR PROJECTED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

LINE NO.	COST IDENTIFICATION	CWIP BALANCE AT					
		12/31/2008	2009	2010	2011	2012	2013
1	<u>Electric</u>						
2	Production Plant						
3	Additions		\$200,075	\$144,658	\$135,662	\$135,059	\$172,048
4	AFUDC Debt & Equity		\$8,980	\$3,472	\$4,748	\$4,727	\$5,394
5	Total Production with AFUDC	\$531,399	\$207,035	\$148,130	\$140,410	\$139,786	\$177,442
6							
7	Transmission						
8	Additions		\$33,912	\$26,578	\$56,555	\$45,387	\$42,448
9	AFUDC Debt & Equity		\$1,384	\$1,801	\$3,461	\$6,681	\$8,044
10	Total Transmission with AFUDC	\$14,298	\$35,296	\$28,179	\$60,016	\$52,069	\$50,492
11							
12	Distribution						
13	Additions		\$80,403	\$76,741	\$72,212	\$92,495	\$75,931
14	AFUDC Debt & Equity		\$1,079	\$1,281	\$1,520	\$1,651	\$1,791
15	Total Distribution with AFUDC	\$24,906	\$81,482	\$78,022	\$73,731	\$94,145	\$77,722
16							
17	Line Extensions						
18	Additions		\$69,974	\$87,876	\$76,748	\$25,606	\$20,812
19	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
20	Total Line Extensions with AFUDC	\$28,346	\$69,974	\$87,876	\$76,748	\$25,606	\$20,812
21							
22	Street Lights						
23	Additions		\$3,177	\$3,222	\$3,280	\$3,344	\$3,415
24	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
25	Total Street Lights with AFUDC	\$1,287	\$3,177	\$3,222	\$3,280	\$3,344	\$3,415
26							
27	Power Supply						
28	Additions		\$0	\$0	\$0	\$0	\$0
29	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
30	Total Power Supply with AFUDC	\$0	\$0	\$0	\$0	\$0	\$0
31							
32	Meters & Instrument Transformers						
33	Additions		\$2,664	\$2,702	\$2,750	\$2,804	\$2,863
34	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
35	Total Meters & Instrument Transformers with AFUDC	\$1,079	\$2,664	\$2,702	\$2,750	\$2,804	\$2,863
36							
37	Transportation						
38	Additions		\$367	\$318	\$318	\$318	\$318
39	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
40	Total Transportation with AFUDC	\$149	\$367	\$318	\$318	\$318	\$318
41							
42	<u>General</u>						
43	Additions		\$3,307	\$2,544	\$2,589	\$2,640	\$2,696
44	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
45	Total General with AFUDC	\$1,340	\$3,307	\$2,544	\$2,589	\$2,640	\$2,696
46							
47	<u>Gas</u>						
48	Production						
49	Additions		\$411	\$418	\$446	\$456	\$468
50	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
51	Total Production with AFUDC	\$168	\$411	\$418	\$446	\$456	\$468
52							
53	Distribution						
54	Additions		\$83,113	\$82,375	\$94,152	\$98,761	\$85,606
55	AFUDC Debt & Equity		\$1,787	\$1,819	\$2,078	\$2,316	\$1,948
56	Total Distribution with AFUDC	\$34,392	\$84,900	\$83,993	\$96,230	\$101,078	\$87,554
57							
58	General						
59	Additions		\$5,789	\$5,890	\$6,278	\$6,410	\$6,552
60	AFUDC Debt & Equity		\$0	\$0	\$0	\$0	\$0
61	Total General with AFUDC	\$2,345	\$5,789	\$5,890	\$6,278	\$6,410	\$6,552
62							
63							
64	<u>Total CG&E</u>						
65	Additions		\$463,194	\$433,321	\$450,990	\$413,280	\$413,155
66	AFUDC Debt & Equity		\$11,210	\$7,872	\$11,807	\$15,375	\$17,177
67	Total CG&E with AFUDC	\$639,707	\$474,404	\$441,293	\$462,796	\$428,655	\$430,332

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR

(Current Rates)

DATA: FIVE (5) YEAR PROJECTED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2
PAGE 1 OF 5
WITNESS RESPONSIBLE:
STEPHEN R. LEE

		(\$000's)				
Line No.	DESCRIPTION	2009	2010	2011	2012	2013
1	Operating Revenues	<u>\$2,962,551</u>	<u>\$3,177,551</u>	<u>\$3,196,861</u>	<u>\$3,326,140</u>	<u>\$3,313,213</u>
2	Operating Expenses					
3	Cost of Goods sold	\$1,167,179	\$1,273,723	\$1,319,769	\$1,394,350	\$1,404,032
4	Operation & Maintenance	\$763,811	\$770,112	\$785,186	\$799,037	\$830,451
5	Depreciation/Amortization	\$351,964	\$371,150	\$308,221	\$329,494	\$336,796
6	Taxes Other than Income Taxes	\$258,199	\$271,862	\$282,949	\$297,562	\$309,176
7	Current Taxes	\$145,319	\$158,569	\$133,343	\$121,416	\$97,306
8	Deferred Income Taxes	(\$20,513)	(\$14,727)	\$14,527	\$25,773	\$25,714
9	Investment tax credit amortization	(\$2,200)	(\$2,196)	(\$2,196)	(\$2,196)	(\$2,196)
10	Total Operating Exp.	<u>\$2,663,759</u>	<u>\$2,828,492</u>	<u>\$2,841,799</u>	<u>\$2,965,436</u>	<u>\$3,001,279</u>
11	Net Operating Income	\$298,792	\$349,058	\$355,062	\$360,705	\$311,934
12	Other Income and Deductions	\$14,227	\$14,169	\$18,085	\$21,369	\$20,260
13	Net Interest Charges	\$85,500	\$89,769	\$91,269	\$99,171	\$94,402
14	Net Income	<u>\$227,518</u>	<u>\$273,459</u>	<u>\$281,879</u>	<u>\$282,903</u>	<u>\$237,791</u>
15	Preferred Dividends					
16	Available for Common Stock	<u>\$227,518</u>	<u>\$273,459</u>	<u>\$281,879</u>	<u>\$282,903</u>	<u>\$237,791</u>

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
BALANCE SHEET

(Current Rates)

DATA: FIVE (5) YEAR PROJECTED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2
PAGE 2 OF 5
WITNESS RESPONSIBLE:
STEPHEN R. LEE

		(\$000's)				
Line No.	DESCRIPTION	2009	2010	2011	2012	2013
1	ASSETS :					
2	Unrestricted cash	\$0	\$0	\$0	\$0	\$0
3	Restricted cash	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
4	Receivables	\$276,323	\$280,532	\$272,296	\$274,021	\$273,852
5	Inventory	\$141,750	\$141,750	\$141,750	\$141,750	\$141,750
6	Income taxes receivable	\$0	\$0	\$0	\$0	\$0
7	Collateral assets	\$18,992	\$18,992	\$18,992	\$18,992	\$18,992
8	Unrealized gains on MTM and hedging transactions	\$89,400	\$89,400	\$89,400	\$89,400	\$89,400
9	Other current assets	\$77,241	\$82,694	\$86,935	\$86,935	\$86,935
10	Total Current Assets	\$623,906	\$633,368	\$629,374	\$631,099	\$630,929
11						
12	Investment in affiliates	\$569,652	\$597,573	\$617,900	\$618,529	\$616,603
13	Nuclear decommissioning trust fund	\$0	\$0	\$0	\$0	\$0
14	Goodwill	\$2,150,842	\$2,150,842	\$2,150,842	\$2,150,842	\$2,150,842
15	Restricted funds held in deposit	(\$103)	(\$103)	(\$103)	(\$103)	(\$103)
16	Long-term notes receivable	\$0	\$0	\$0	\$0	\$0
17	Assets held for sale	\$0	\$0	\$0	\$0	\$0
18	Pre-funded pension costs	\$0	\$0	\$0	\$0	\$0
19	Total Investments and Other Assets	\$2,720,391	\$2,748,313	\$2,768,639	\$2,769,269	\$2,767,343
20						
21	PP&E, net	\$7,057,465	\$7,202,068	\$7,358,152	\$7,463,554	\$7,562,504
22						
23	Deferred debt expense	\$11,393	\$8,757	\$6,125	\$3,500	\$887
24	Regulatory assets related to income taxes	\$92,046	\$92,046	\$92,046	\$92,046	\$92,046
25	Other long-term assets	\$628,877	\$511,677	\$462,534	\$429,207	\$396,307
26	Total Regulatory Assets and Deferred Debits	\$732,317	\$612,479	\$560,706	\$524,753	\$489,239
27						
28	Total Assets	\$11,134,079	\$11,196,229	\$11,316,870	\$11,388,675	\$11,450,015
29						
30	LIABILITIES :					
31	Accounts payable	\$435,800	\$434,210	\$431,927	\$430,469	\$429,028
32	Notes payable and commercial paper	\$108,545	\$220,328	\$419,009	\$507,716	\$558,417
33	Income taxes accrued	\$44,102	\$49,706	\$48,199	\$47,092	\$47,065
34	Taxes other than income accrued	\$154,514	\$169,556	\$182,533	\$196,288	\$206,378
35	Interest accrued	\$15,374	\$17,745	\$20,264	\$13,442	\$16,290
36	Dividends payable	\$0	\$0	\$0	\$0	\$0
37	Collateral liabilities	\$42,856	\$42,856	\$42,856	\$42,856	\$42,856
38	Unrealized losses on MTM and hedging transactions	\$122,314	\$122,314	\$122,314	\$122,314	\$122,314
39	Other current liabilities	\$32,885	\$33,258	\$33,645	\$34,044	\$34,458
40	Total Current Liabilities	\$956,390	\$1,089,974	\$1,300,747	\$1,394,221	\$1,456,806
41						
42	Long-term debt	\$1,933,835	\$1,926,444	\$1,901,536	\$1,921,027	\$1,916,083
43						
44	Deferred income taxes	\$1,283,661	\$1,268,934	\$1,283,461	\$1,309,234	\$1,334,948
45	Investment tax credit	\$6,328	\$4,132	\$1,936	(\$260)	(\$2,456)
46	Liabilities associated with assets held for sale	\$0	\$0	\$0	\$0	\$0
47	Asset retirement obligations	\$25,456	\$25,456	\$25,456	\$25,456	\$25,456
48	Nuclear decommissioning costs externally funded	\$0	\$0	\$0	\$0	\$0
49	Minimum pension liability	\$115,740	\$83,260	\$56,380	\$36,220	\$29,780
50	Other long-term liabilities	\$373,869	\$385,848	\$409,968	\$420,858	\$434,114
51	Total Deferred Credits and Other Liabilities	\$1,805,055	\$1,767,631	\$1,777,202	\$1,791,509	\$1,821,843
52						
53	Minority interests	\$0	\$0	\$0	\$0	\$0
54	Preferred stock	\$0	\$0	\$0	\$0	\$0
55						
56	Common stock	\$5,217,307	\$4,889,307	\$4,512,307	\$4,173,307	\$3,910,807
57	Retained earnings	\$1,257,152	\$1,558,533	\$1,860,738	\$2,144,271	\$2,380,136
58	Accumulated other comprehensive income	(\$35,659)	(\$35,659)	(\$35,659)	(\$35,659)	(\$35,659)
59	Common Stockholders Equity	\$6,438,799	\$6,412,180	\$6,337,385	\$6,281,918	\$6,255,283
60						
61	Total Liabilities and Stockholders' Equity	\$11,134,079	\$11,196,229	\$11,316,870	\$11,388,675	\$11,450,015

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
STATEMENT OF CHANGES IN FINANCIAL POSITION

(Current Rates)

DATA: FIVE (5) YEAR PROJECTED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2
PAGE 3 OF 5
WITNESS RESPONSIBLE:
STEPHEN R. LEE

		(\$000's)				
Line						
No.	DESCRIPTION	2009	2010	2011	2012	2013
1	Net income	\$227,518	\$273,459	\$281,879	\$282,903	\$237,791
2	Depreciation and depletion of PP&E	\$280,829	\$294,266	\$302,133	\$315,541	\$322,843
3	Amortization of DDE	\$2,670	\$2,637	\$2,631	\$2,625	\$2,613
4	Amortization of other assets	\$71,134	\$76,884	\$6,088	\$13,953	\$13,953
5	Deferred income taxes	(\$20,513)	(\$14,727)	\$14,527	\$25,773	\$25,714
6	Investment tax credit amortization	(\$2,200)	(\$2,198)	(\$2,196)	(\$2,196)	(\$2,196)
7	Contribution to company-sponsored pension plan	(\$4,200)	(\$32,480)	(\$26,880)	(\$20,160)	(\$6,440)
	Realized and unrealized gains on MTM & hedging	\$23,641	\$0	\$0	\$0	\$0
8	Receivables	\$12,465	(\$4,010)	\$8,238	(\$1,725)	\$170
9	Accounts payable	(\$506)	(\$1,590)	(\$2,283)	(\$1,458)	(\$1,441)
10	Income taxes accrued	\$34,902	\$5,804	(\$1,507)	(\$1,107)	(\$27)
11	Taxes other than income accrued	\$14,174	\$15,043	\$12,977	\$13,755	\$10,090
12	Interest accrued	\$793	\$2,371	\$2,519	(\$6,822)	\$2,848
13	Equity AFUDC	(\$2,474)	(\$2,424)	(\$4,580)	(\$7,712)	(\$8,538)
14	Other long-term assets	\$41,478	\$42,741	\$47,635	\$27,086	\$27,486
15	Other long-term liabilities	\$11,590	\$11,979	\$24,120	\$10,890	\$13,257
16	Other current assets	(\$5,453)	(\$5,453)	(\$4,241)	\$0	\$0
17	Other current liabilities	\$361	\$373	\$386	\$400	\$414
18	Net Cash from Operating Activities	\$686,200	\$662,477	\$661,443	\$661,746	\$638,636
19						
20						
21	Capex - maintenance	(\$321,163)	(\$303,213)	(\$330,106)	(\$360,941)	(\$385,343)
22	Capex - environmental	(\$57,762)	(\$24,373)	(\$27,370)	(\$9,908)	(\$10,615)
23	Capex - expansion	(\$93,005)	(\$111,284)	(\$100,740)	(\$50,095)	(\$45,835)
	Restricted funds held in deposit	\$37,332	\$0	\$0	\$0	\$0
24	Net Cash from Investing Activities	(\$434,598)	(\$438,869)	(\$458,216)	(\$420,943)	(\$421,793)
25						
26						
27	Issuance of long-term debt	\$0	\$0	\$0	\$526,000	\$0
28	Payments of long-term debt	(\$7,854)	(\$7,391)	(\$24,908)	(\$505,509)	(\$4,944)
29	Notes payable and commercial paper (CP)	\$27,752	\$111,783	\$198,681	\$88,707	\$50,701
30	Equity infusions between parents and subs	(\$271,500)	(\$328,000)	(\$377,000)	(\$339,000)	(\$262,600)
31	Net Cash from Financing Activities	(\$251,602)	(\$223,608)	(\$203,227)	(\$230,803)	(\$216,743)
32						
33	Net change in cash and cash equivalents	\$0	\$0	\$0	\$0	\$0

DATA: FIVE (5) YEAR PROJECTED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2
PAGE 4 OF 5
WITNESS RESPONSIBLE:
STEPHEN R. LEE

1. Electric Forecast: Kwh

	Residential	Commercial	Industrial	Street Light	OPA	Inter-Dept	Company Use	Losses	Change in Unbilled	Total
Regulated Sales										
2009	7,135,148,000	5,865,678,000	4,915,820,000	98,783,000	1,187,692,000	7,692,000	20,946,000	1,368,143,669	5,893,331	20,724,603,000
2010	7,141,295,000	5,983,873,000	4,855,399,000	96,876,000	1,179,341,000	7,770,000	21,154,000	1,363,223,745	5,873,256	20,555,211,000
2011	7,199,040,000	6,059,661,000	4,915,072,000	97,037,000	1,191,024,000	7,849,000	21,366,000	1,378,194,804	5,734,196	20,965,978,000
2012	7,264,960,000	6,148,662,000	5,003,059,000	97,204,000	1,205,685,000	7,928,000	21,580,000	1,397,032,087	5,803,913	21,152,319,000
2013	7,298,371,000	6,236,130,000	5,069,905,000	97,357,000	1,207,512,000	8,002,000	21,785,000	1,409,685,221	5,860,779	21,344,624,000
Transportation Sales										
2009	258,720,000	393,229,000	750,830,000	7,620,000	371,384,000	0	0	0	5,782,500	1,827,578,500
2010	308,539,000	477,752,000	885,443,000	7,828,000	389,422,000	0	0	0	8,981,250	2,087,774,250
2011	354,310,000	514,069,000	931,016,000	7,942,000	402,425,000	0	0	0	1,874,750	2,211,340,750
2012	357,963,000	522,415,000	947,886,000	7,854,000	407,450,000	0	0	0	1,152,250	2,243,908,250
2013	358,703,000	529,833,000	960,351,000	7,665,000	408,001,000	0	0	0	(363,000)	2,264,150,000
Total Retail Sales										
2009	7,393,868,000	6,379,908,000	5,706,650,000	104,403,000	1,559,080,000	7,692,000	20,946,000	1,368,143,669	11,491,831	22,562,182,500
2010	7,449,833,000	6,461,625,000	5,750,842,000	104,564,000	1,588,773,000	7,770,000	21,154,000	1,363,223,745	14,860,505	22,742,985,250
2011	7,553,390,000	6,584,730,000	5,846,083,000	104,679,000	1,583,453,000	7,849,000	21,366,000	1,378,194,804	7,808,646	23,077,318,750
2012	7,622,513,000	6,671,277,000	5,950,744,000	104,865,000	1,613,355,000	7,928,000	21,580,000	1,397,032,087	5,982,163	23,388,227,250
2013	7,647,074,000	6,785,963,000	6,030,256,000	105,022,000	1,615,513,000	8,002,000	21,785,000	1,409,685,221	5,503,779	23,608,614,000
2. Gas Forecast: Mcf										
	Residential	Commercial	Industrial	Street Light	OPA	Other	Inter-Dept	Company Use	Losses	Change in Unbilled
Regulated Sales										
2009	26,609,369	10,618,443	1,703,473	41,540	1,089,128	0	95,000	37,000	740,335	(12,916)
2010	26,658,905	10,650,995	1,571,458	41,540	1,083,756	0	95,000	37,000	751,577	8,371
2011	26,741,477	10,678,672	1,492,684	41,540	1,103,552	0	95,000	37,000	723,199	(36,308)
2012	26,823,255	10,700,422	1,423,034	41,540	1,101,682	0	95,000	37,000	683,023	7,726
2013	26,945,025	10,726,732	1,391,690	41,540	1,107,367	0	95,000	37,000	694,957	3,971
Transportation Sales										
2009	5,246,504	6,103,759	2,177,778	0	1,765,541	18,233,437	0	0	0	(20,038)
2010	5,248,854	6,122,239	2,008,900	0	1,773,042	18,758,799	0	0	0	(8,356)
2011	5,286,073	6,139,136	1,908,189	0	1,788,824	18,988,806	0	0	0	(3,827)
2012	5,253,420	6,151,045	1,825,519	0	1,785,870	19,168,101	0	0	0	(3,735)
2013	5,279,045	6,165,837	1,779,066	0	1,795,100	19,345,528	0	0	0	607
Total Retail Sales										
2009	31,857,993	16,722,202	3,881,352	41,540	2,854,669	18,233,437	95,000	37,000	740,335	(32,954)
2010	31,907,790	16,773,234	3,680,388	41,540	2,888,798	18,758,799	95,000	37,000	751,577	15
2011	31,997,550	16,811,807	3,400,653	41,540	2,892,478	18,988,806	95,000	37,000	723,199	(40,135)
2012	32,080,675	16,832,087	3,253,553	41,540	2,897,352	19,168,101	95,000	37,000	683,023	3,991
2013	32,224,071	16,863,569	3,170,756	41,540	2,902,467	19,345,528	95,000	37,000	694,957	4,518

3. Operation and maintenance expense was budgeted by department for 2009. The years 2009 through 2013 were based on the Company's 2008 Budget with escalations using the following:

Labor	3.5% each year
Non-Labor	1.5% each year
Fringe Benefits	3.5% each year

Allocable costs from Duke Energy are charged to the Company.

4. At the present time, Duke Energy anticipates no additional employees over the budgeted period.

6. Cost of additional First Mortgage Bonds was assumed to range from 6% to 7% for 2009 - 2013. Short-term debt cost was assumed to range from 5% to 8% for the 2009 - 2013 period.

DUKE ENERGY OHIO, INC.
CASE NO. 08-709-EL-AIR
LOAD FORECAST AND MIX OF GENERATION
2009 - 2013
(MWH)

DATA: FIVE (5) YEAR PROJECTED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(s):

SCHEDULE S-2
PAGE 5 OF 5
WITNESS RESPONSIBLE:
STEPHEN R. LEE

Line No.	DESCRIPTION	2009	2010	2011	2012	2013
1	Sources of Energy			*		
2	Generation-net					
3	Purchases Power-net					
4	Interchange-net					
5	Total Available for Delivery	0	0	0	0	0
6						
7	Uses of Energy					
8	Residential	7,135,148	7,141,295	7,199,040	7,264,960	7,288,371
9	Commercial	5,988,879	5,983,873	6,050,661	6,148,862	6,236,130
10	Industrial	4,915,820	4,855,399	4,915,872	5,003,059	5,069,905
11	Street & Light	96,783	96,876	97,037	97,204	97,357
12	Other Public Authority	1,187,692	1,179,341	1,191,024	1,205,885	1,207,512
13	Interdepartmental	7,692	7,770	7,849	7,926	8,002
14	Sale to ULH&P	0	0	0	0	0
15	Total Sales	19,329,814	19,264,554	19,460,683	19,727,896	19,907,277
16						
17	Change in Unbilled	5,699	5,679	5,734	5,810	5,867
18	Company Use	20,946	21,154	21,366	21,580	21,795
19	Losses	1,368,144	1,363,824	1,378,195	1,397,032	1,409,685
20						
21	Total Electricity Delivered	20,724,603	20,655,211	20,865,978	21,152,318	21,344,624
22						
23	Mix of Generation			*		
24	Fossil					
25	Nuclear					
26	Total Generation-net	0	0	0	0	0
27						
28	Mix of Generation (%)			*		
29	Fossil					
30	Nuclear					

* Information not available.

**FORM OF PROPOSED NOTICE
FOR NEWSPAPER PUBLICATION**

**NOTICE OF APPLICATION TO
THE PUBLIC UTILITIES COMMISSION OF OHIO
FOR AN INCREASE IN ELECTRIC RATES
TO ALL JURISDICTIONAL CUSTOMERS
FOR DUKE ENERGY OHIO, INC.**

TO WHOM IT MAY CONCERN:

Pursuant to the requirements of Section 4909.19 of the Revised Code of Ohio, Duke Energy Ohio, Inc. (DE-Ohio) hereby gives notice that on July 25, 2008 it filed with The Public Utilities Commission of Ohio (Commission) an application for authority to change its electric rates and charges in incorporated communities and the unincorporated territory within its service area which includes all or part of Brown, Butler, Clinton, Clermont, Hamilton, Highland, Montgomery, Preble, and Warren Counties in Ohio. Such Application has been assigned Case Nos. 08-709-EL-AIR, 08-710-EL-ATA, and 08-711-EL-AAM by the Commission. The substance of the application follows.

All electric consumers shall pay a Distribution Rider designed to allow DE-Ohio to recover the incremental revenue requirements associated with changes in distribution investment and distribution expenses made to its electric distribution plant. This Rider shall be adjusted annually. Commission authorization for any such adjustments shall be required.

The following is a description of the proposed electric rates.

**PROPOSED RATE RS
RESIDENTIAL SERVICE**

RESIDENTIAL SERVICE, SHEET NO. 30.11

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 service territory of the Company where distribution lines are adjacent to the premises to be served.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
Distribution Charges:		
(a) Customer Charge	\$10.00 per month	\$10.00 per month
(b) Energy Charge		
First 1,000 kilowatt-hours	1.9217¢ per kWh	1.9217¢ per kWh
Additional kilowatt-hours	1.9217¢ per kWh	1.9217¢ per kWh

The following generation charges are applicable to all customers except those customers who receive their energy from a Certified Supplier.

	<u>Summer Period</u>	<u>Winter Period</u>
Generation Charges		
Energy Charges:		
First 1,000 kilowatt-hours	4.4180¢ per kWh	4.4180¢ per kWh
Additional kilowatt-hours	5.5978¢ per kWh	1.6669¢ per kWh

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

The average percentage increase in the total bill of customers under Rate RS, including a firm supply of electric generation, should the increase be granted in full is 4.73%.

PROPOSED RATE ORH OPTIONAL RESIDENTIAL SERVICE WITH ELECTRIC SPACE HEATING

OPTIONAL RESIDENTIAL SERVICE WITH ELECTRIC SPACE HEATING, SHEET NO. 31.11

APPLICABILITY

Applicable to electric service, other than three phase service, used for all domestic purposes in private residences and single occupancy apartments where permanently connected electric heating equipment is installed and in regular use as the primary source of qualified space heating in the entire territory of the Company where distribution lines are adjacent to the premises to be served. In addition, the customer will be required to pay an amount equal to the current installed cost of demand metering equipment in excess of the current installed cost of standard watt-hour metering equipment. All metering equipment shall remain the property of the Company. The Company shall be responsible for the installation, operation, maintenance, testing, replacement and removal of metering equipment.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
Distribution Charges:		
(a) Customer Charge	\$10.00 per month	\$10.00 per month
(b) Energy Charge		
First 1,000 kilowatt-hours	2.2115¢ per kWh	2.2115¢ per kWh
Additional kilowatt-hours	2.6196¢ per kWh	1.2215¢ per kWh
In excess of 150 times Customer's		
Monthly Demand	2.6196¢ per kWh	0.8235¢ per kWh

The following generation charges are applicable to all customers except those customers who receive their energy from a Certified Supplier.

	<u>Summer Period</u>	<u>Winter Period</u>
Generation Charges:		
Energy Charge		
First 1,000 kilowatt-hours	3.9442¢ per kWh	3.9440¢ per kWh
Additional kilowatt-hours	4.7266¢ per kWh	2.0417¢ per kWh
In excess of 150 times Customer's		
Monthly Demand	4.7266¢ per kWh	1.2771¢ per kWh

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

The average percentage increase in the total bill of customers under Rate ORH, including a firm supply of electric generation, should the increase be granted in full is 0.97%.

PROPOSED RATE TD OPTIONAL TIME-OF-DAY RATE FOR RESIDENTIAL SERVICE

OPTIONAL TIME-OF-DAY RATE FOR RESIDENTIAL SERVICE, SHEET NO. 33.12

APPLICABILITY

Applicable to electric service other than three phase service for all domestic purposes in private residences and single occupancy apartments in the entire territory of the Company where distribution lines are adjacent to the premises to be served. This rate is available only as Company demand meters with programmable time-of-day registers are installed on the customer's premises.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
Distribution Charges:		
(a) Customer Charge	\$18.50 per month	\$18.50 per month
(b) Energy Charge		
On Peak kilowatt-hours	3.5777¢ per kWh	2.8430¢ per kWh
Off Peak kilowatt-hours	0.6241¢ per kWh	0.6236¢ per kWh

The following generation charges are applicable to all customers except those customers who receive their energy from a Certified Supplier:

	<u>Summer Period</u>	<u>Winter Period</u>
Generation Charges:		
Energy Charge		
On Peak kilowatt-hours	9.0079¢ per kWh	7.0811¢ per kWh
Off Peak kilowatt-hours	1.3156¢ per kWh	1.3161¢ per kWh

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

The average percentage increase in the total bill of customers under Rate TD, including a firm supply of electric generation, should the increase be granted in full is 3.33%.

PROPOSED RATE CUR COMMON USE RESIDENTIAL SERVICE

COMMON USE RESIDENTIAL SERVICE, SHEET NO. 34.5

APPLICABILITY

Applicable to electric service other than three phase service for 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.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
Distribution Charges:		
(a) Customer Charge	\$10.00 per month	\$10.00 per month
(b) Energy Charge		
First 1,000 kilowatt-hours	1.9217¢ per kWh	1.9217¢ per kWh
Additional kilowatt-hours	1.9217¢ per kWh	1.9217¢ per kWh

MARKET PRICE GENERATION CHARGES – MARKET BASED STANDARD SERVICE OFFER

The generation charges listed below are applicable to all customers except those customers that switch to a Certified Supplier for their generation service:

	<u>Summer Period</u>	<u>Winter Period</u>
Energy Charge		
First 1,000 kilowatt-hours	4.4180¢ per kWh	4.4180¢ per kWh
Additional kilowatt-hours	5.5978¢ per kWh	1.6669¢ per kWh

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

The average percentage increase in the total bill of customers under Rate CUR, including a firm supply of electric generation, should the increase be granted in full is 8.77%.

**PROPOSED RATE RS3P
RESIDENTIAL THREE-PHASE SERVICE**

RESIDENTIAL THREE-PHASE SERVICE, SHEET NO. 35.2

APPLICABILITY

Applicable to three phase electric service, for all domestic purposes in private residences and single occupancy apartments and separately metered common use areas of multi-occupancy buildings in the entire territory of the Company where (1) distribution lines are adjacent to the premises to be served, (2) the building load requires three phase service, and (3) where the Company has an existing 208Y/120V network grid.

Residences where not more than two rooms are used for rental purposes will also be included. Where all dwelling units in a multiple-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, the applicable general service rate 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 residential service, if the service qualifies hereunder.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
Distribution Charges:		
(a) Customer Charge	\$12.00 per month	\$12.00 per month
(b) Energy Charge		
First 1,000 kilowatt-hours	1.9217¢ per kWh	1.9217¢ per kWh
Additional kilowatt-hours	1.9217¢ per kWh	1.9217¢ per kWh

The following generation charges are applicable to all customers except those customers who receive their energy from a Certified Supplier.

	<u>Summer Period</u>	<u>Winter Period</u>
Generation Charges:		
Energy Charge		
First 1,000 kilowatt-hours	4.4180¢ per kWh	4.4180¢ per kWh
Additional kilowatt-hours	5.5978¢ per kWh	1.6669¢ per kWh

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

The average percentage increase in the total bill of customers under Rate RS3P, including a firm supply of electric generation, should the increase be granted in full is 2.94%.

**PROPOSED RATE DS
SERVICE AT SECONDARY DISTRIBUTION VOLTAGE**

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE, SHEET NO. 40.12

APPLICABILITY

Applicable to electric service for usual customer load requirements is available to a customer only where the Company specifies service at the standard secondary system voltage and where the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served, and the Company determines that the customers average monthly demand is greater than 15 kilowatts. Electric service must be supplied at one point of delivery.

NET MONTHLY BILL

Computed in accordance with the following charges provided, however, that the minimum monthly load factor, expressed as hours-use per month, shall not be less than 71 kWh per kW. When applicable, the minimum monthly load factor shall be achieved by calculating the billing demand as the monthly kWh usage divided by 71 (kilowatt of demand is abbreviated as kW and kilowatt-hours are abbreviated as kWh):

Distribution Charges:

(a) Customer Charge per month	
Single Phase Service	\$20.00
Single and/or Three Phase Service	\$40.00
(b) Demand Charge	
All kilowatts	\$ 5.2145 per kW

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

(a) Demand Charge	
First 1,000 kilowatts	\$7.6574 per kW
Additional kilowatts	\$6.0574 per kW
(b) Energy Charge	
Billing Demand times 300	1.9576¢ per kWh
Additional kWh	1.6266¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or

2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

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

The minimum bill shall be 85% of the highest monthly kilowatt demand as established in the summer period and effective for the next succeeding eleven (11) months plus the Customer Charge.

In no case, however, shall the minimum bill be less than the Customer Charge.

The average percentage increase in the total bill of customers under Rate DS, including a firm supply of electric generation, should the increase be granted in full is 5.79%

**PROPOSED RATE GS-FL
OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED LOADS**

**OPTIONAL UNMETERED GENERAL SERVICE RATE FOR SMALL FIXED
LOADS, SHEET NO. 41.12**

APPLICABILITY

Applicable to electric service in the Company's entire territory where secondary distribution lines exist for any fixed electric load that can be served by a standard service drop from the Company's existing secondary distribution system.

NET MONTHLY BILL

Computed in accordance with the following charges:

Distribution Charges

- | | |
|---|-----------------|
| (a) For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment | 1.9649¢ per kWh |
| (b) For loads of less than 540 hours use per month of the rated capacity of the connected equipment | 2.2543¢ per kWh |

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

Demand Related Component

- | | |
|---|-----------------|
| For loads based on a range of 540 to 720 hours use per month of the rated capacity of the connected equipment | 3.8236¢ per kWh |
| For loads of less than 540 hours use per month of the rated capacity of the connected equipment | 4.3953¢ per kWh |

Energy Related Component

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

2.6805¢ per kWh

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

3.0812¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The minimum charge shall be \$5.00 per Fixed Load Location per month.

The average percentage increase in the total bill of customers under Rate GS-FL, including a firm supply of electric generation, should the increase be granted in full is 3.59%.

**PROPOSED RATE EH
OPTIONAL RATE FOR ELECTRIC SPACE HEATING**

OPTIONAL RATE FOR ELECTRIC SPACE HEATING, SHEET NO. 42.12

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. For the purpose of the administration of this tariff schedule, primary source is defined as at least 90 percent. No single water-heating unit shall be wired that the demand established by it can exceed 5.5 kilowatts unless approved by the Company.

NET MONTHLY BILL

Computed in accordance with the following charges:

Winter Period:

Distribution Charges:

- (a) Customer Charge per month

Single Phase Service	\$ 20.00
Three Phase Service	\$ 40.00
Primary Voltage Service	\$200.00

(b) Energy Charge	
All kilowatt-hours	1.6465¢ per kWh

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

Demand Related Component	
All kilowatt-hours	1.5688¢ per kWh
Energy Related Component	
All kilowatt-hours	1.0998¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

Summer Period:

All usage during the summer period shall be billed in accordance with the provisions of the applicable distribution voltage service rate.

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

The average percentage increase in the total bill of customers under Rate EH, including a firm supply of electric generation, should the increase be granted in full is 8.75%.

**PROPOSED RATE DM
SECONDARY DISTRIBUTION SERVICE – SMALL**

SECONDARY DISTRIBUTION SERVICE – SMALL, SHEET NO. 43.12

APPLICABILITY

Applicable to electric service for usual customer load requirements is available to a customer only where the Company specifies service at the standard secondary system voltage and the Company determines that facilities of adequate capacity are available and adjacent to the premises to be served and the Company determines that the customer's average monthly demand is 15 kilowatts or less. This tariff schedule is also applicable to electric service to recreation facilities that are promoted, operated and maintained by non-profit organizations where such service is separately metered. Electric service must be supplied at one point of delivery.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Summer Period</u>	<u>Winter Period</u>
Distribution Charges:		
(a) Customer Charge		
Single Phase	\$ 7.50 per month	\$ 7.50 per month
Three Phase	\$15.00 per month	\$15.00 per month
(b) Energy Charge		
First 2,800 kWh	3.0185¢ per kWh	2.1668¢ per kWh
Next 3,200 kWh	0.2511¢ per kWh	0.2511¢ per kWh
Additional kWh	0.1065¢ per kWh	0.1065¢ per kWh

MARKET PRICE GENERATION CHARGES – MARKET BASED STANDARD SERVICE OFFER.

	<u>Summer Period</u>	<u>Winter Period</u>
Demand Related Component		
First 2,800 kWh	3.2108¢ per kWh	2.5484¢ per kWh
Next 3,200 kWh	0.8198¢ per kWh	0.8207¢ per kWh
Additional kWh	0.3575¢ per kWh	0.3394¢ per kWh
Energy Related Component		
First 2,800 kWh	2.6454¢ per kWh	2.0996¢ per kWh
Next 3,200 kWh	0.6754¢ per kWh	0.6762¢ per kWh
Additional kWh	0.2945¢ per kWh	0.2797¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

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

When both single and three phase service are required by the customer, the monthly kilowatt-hour usage shall be the arithmetical sum of both services.

The average percentage decrease in the total bill of customers under Rate DM, including a firm supply of electric generation, should the increase be granted in full is (3.15)%.

**PROPOSED RATE DP
SERVICE AT PRIMARY DISTRIBUTION VOLTAGE**

SERVICE AT PRIMARY DISTRIBUTION VOLTAGE, SHEET NO. 44.12

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. Electric service must be supplied at one point of delivery.

NET MONTHLY BILL

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

Distribution Charges:

- | | |
|---|--------------------|
| (a) Customer Charge per month | |
| Primary Voltage Service (12.5 or 34.5 kV) | \$200.00 per month |
| (b) Demand Charge | |
| All kilowatts | \$ 5.6495 per kW |

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

- | | |
|--------------------------|------------------|
| (a) Demand Charge | |
| First 1,000 kilowatts | \$ 6.9151 per kW |
| Additional kilowatts | \$ 5.4550 per kW |
| (b) Energy Charge | |
| Billing Demand times 300 | 2.2048¢ per kWh |
| Additional kWh | 1.7682¢ per kWh |

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

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.

The minimum bill shall be 85% of the highest monthly kilowatt demand as established in the summer period and effective for the next succeeding eleven (11) months plus the Customer Charge.

In no case, however, shall the minimum bill be less than the Customer Charge.

The average percentage increase in the total bill of customers under Rate DP, including a firm supply of electric generation, should the increase be granted in full is 8.15%.

**PROPOSED RATE SFL-ADPL
OPTIONAL UNMETERED RATE FOR SMALL FIXED LOADS ATTACHED
DIRECTLY TO COMPANY'S POWER LINES**

**OPTIONAL UNMETERED RATE FOR SMALL FIXED LOADS ATTACHED
DIRECTLY TO COMPANY'S POWER LINES, SHEET NO. 46.8**

APPLICABILITY

Applicable to electric service in the Company's entire territory where secondary and/or primary distribution lines exist for any bulk, small, unmetered, fixed-load electric devices that can be connected directly to the Company's power lines within the power zone of Company's poles and which do not require service drops.

NET MONTHLY BILL

Computed in accordance with the following charges:

Distribution Charges: 1.9649¢ per kWh

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

Energy Related Component	2.6805¢ per kWh
Demand Related Component	3.8236¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate SFL-ADPL, including a firm supply of electric generation, should the increase be granted in full is 3.59%.

**PROPOSED RATE TS
SERVICE AT TRANSMISSION VOLTAGE**

SERVICE AT TRANSMISSION VOLTAGE, SHEET NO. 50.12

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.

NET MONTHLY BILL

Computed in accordance with the following charges (kilovolt amperes are abbreviated as kVA; kilowatt-hours are abbreviated as kWh):

Distribution Charges:

(a) Customer Charge per month	\$200.00
(b) Demand Charge All kVa	\$ 0.000 per kVA

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

(a) Demand Charge	
First 50,000 kVA	\$8.3831 per kVA
Additional kVA	\$6.0431 per kVA
(b) Energy Charge	
Billing Demand times 300	1.4404¢ per kWh
Additional kWh	1.6381¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The minimum charge shall be not less than fifty (50) percent of the highest demand charge established during the preceding eleven (11) months or the billing of 1,000 kVA, whichever is higher.

The average percentage decrease in the total bill of customers under Rate TS, including a firm supply of electric generation, should the increase be granted in full is (0.61%).

PROPOSED RATE SL STREET LIGHTING SERVICE

STREET LIGHTING SERVICE, SHEET NO. 60.12

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 service will no longer be available for units installed after December 31, 2004.

NET MONTHLY BILL

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

	<u>Lamp Watts</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
Base Rate					
<u>OVERHEAD DISTRIBUTION AREA</u>					
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.193	803	3.072	1.927
7,000 lumen (Open Refractor)	175	0.205	853	3.013	2.047
10,000 lumen	250	0.275	1,144	3.123	2.746
21,000 lumen	400	0.430	1,789	3.161	4.294
Metal Halide					
14,000 lumen	175	0.193	803	3.072	1.927
20,500 lumen	250	0.275	1,144	3.123	2.746
Sodium Vapor					
9,500 lumen	100	0.117	487	5.434	1.169
9,500 lumen (Open Refractor)	100	0.117	487	5.225	1.169
16,000 lumen	150	0.171	711	5.894	1.707
22,000 lumen	200	0.228	948	5.853	2.275
27,500 lumen	200	0.228	948	5.853	2.275
50,000 lumen	400	0.471	1,959	7.162	4.702
Decorative Fixtures					
Sodium Vapor					
9,500 lumen (Rectilinear)	100	0.117	487	9.430	1.169
22,000 lumen (Rectilinear)	200	0.246	1,023	9.535	2.455
50,000 lumen (Rectilinear)	400	0.471	1,959	9.537	4.702
50,000 lumen (Setback)	400	0.471	1,959	13.093	4.702

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: \$0.39.

	<u>Lamp Watts</u>	<u>kW/Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
<u>UNDERGROUND DISTRIBUTION AREA</u>					
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
7,000 lumen	175	0.210	874	2.599	2.098
7,000 lumen (Open Refractor)	175	0.205	853	3.169	2.047
10,000 lumen	250	0.292	1,215	2.597	2.917
21,000 lumen	400	0.460	1,914	2.672	4.594
Sodium Vapor					
9,500 lumen	100	0.117	487	5.434	1.169
22,000 lumen	200	0.228	948	5.853	2.275
27,500 lumen	200	0.228	948	5.853	2.275
50,000 lumen	400	0.471	1,959	7.162	4.702
Decorative Fixtures					
Mercury Vapor					
7,000 lumen (Town & Country)	175	0.205	853	5.554	2.047
7,000 lumen (Holophane)	175	0.210	874	5.926	2.098
7,000 lumen (Gas Replica)	175	0.210	874	14.786	2.098
7,000 lumen (Aspen)	175	0.210	874	8.091	2.098
Metal Halide					
14,000 lumen (Granville)	175	0.210	874	8.091	2.098
14,000 lumen (Town & Country)	175	0.205	853	5.554	2.047
14,500 lumen (Gas Replica)	175	0.210	874	14.786	2.098
Sodium Vapor					
9,500 lumen (Town & Country)	100	0.117	487	9.179	1.169
9,500 lumen (Holophane)	100	0.128	532	9.497	1.277
9,500 lumen (Rectilinear)	100	0.117	487	9.639	1.169
9,500 lumen (Gas Replica)	100	0.128	532	17.394	1.277
9,500 lumen (Aspen)	100	0.128	532	10.010	1.277
16,000 lumen (Aspen)	150	0.171	711	5.894	1.401
22,000 lumen (Rectilinear)	200	0.246	1,023	9.535	2.455
50,000 lumen (Rectilinear)	400	0.471	1,959	9.119	4.702
50,000 lumen (Setback)	400	0.471	1,959	13.093	4.702

POLE CHARGES

<u>Pole Description</u>	<u>Pole Type</u>	<u>\$/Pole</u>
Wood		
17 foot (Wood Laminated) (a)	W17	4.13
30 foot	W30	4.51
35 foot	W35	4.77
40 foot	W40	5.52

Aluminum			
	12 foot	A12	12.10
	28 foot	A28	6.71
	28 foot (heavy duty)	A28H	6.82
	30 foot (anchor base)	A30	20.18
Fiberglass			
	17 foot	F17	4.14
	30 foot (bronze)	F30	8.96
	35 foot (bronze)	F35	9.07
	40 foot	F40	5.51
Steel			
	27 foot (11 gauge)	S27	16.55
	27 foot (3 gauge)	S27H	22.40

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: \$0.83.

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

MARKET PRICE GENERATION CHARGES – MARKET BASED

STANDARD SERVICE OFFER

Demand Related Component	1.0528¢ per kWh
Energy Related Component	1.8276¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate SL, including a firm supply of electric generation, should the increase be granted in full is 1.58%.

**PROPOSED RATE TL
TRAFFIC LIGHTING SERVICE**

TRAFFIC LIGHTING SERVICE, SHEET NO. 61.12

APPLICABILITY

Applicable to the supplying of energy for traffic signals or other traffic control lighting on public streets and roads. After January 1, 1992, 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.

NET MONTHLY BILL

Computed in accordance with the following charges:

Base Rate

- (a) Where the Company supplies energy only all kilowatt-hours shall be billed as follows:
- | | |
|--|-----------------|
| Distribution Energy and Equipment Charge | 0.3745¢ per kWh |
| Generation Charge-Demand Related Component | 0.6161¢ per kWh |
| Generation Charge-Energy Related Component | 1.0697¢ per kWh |
- (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 2.5046¢ per kWh
- (c) Where the Company supplies energy and has agreed to provide limited maintenance for traffic signal equipment all kilowatt-hours shall be billed as follows:
- | | |
|--|-----------------|
| Distribution Energy and Equipment Charge | 2.6204¢ per kWh |
| Generation Charge-Demand Related Component | 0.6161¢ per kWh |
| Generation Charge-Energy Related Component | 1.0697¢ per kWh |

MARKET PRICE GENERATION CHARGES – MARKET BASED STANDARD SERVICE OFFER

Generation Charge – Demand Related Component	0.6161¢ per kWh
Generation Charge – Energy Related Component	1.0697¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate TL, including a firm supply of electric generation, should the increase be granted in full is 0.39%.

PROPOSED RATE OF OUTDOOR LIGHTING SERVICE

OUTDOOR LIGHTING SERVICE, SHEET NO. 62.12

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 service will no longer be available for units installed after December 31, 2004.

NET MONTHLY BILL

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 16 feet for overhead units will be assessed:

	Lamp Watts	KW/ Luminaire	Annual KWh	Distribution Energy & Equipment \$/Unit	Market Price Generation Charge \$/Unit
<u>Standard Fixtures (Cobra Head)</u>					
<u>Mercury Vapor</u>					
7,000 lumen (Open Refractor)	175	0.205	853	5.607	2.047
7,000 lumen	175	0.210	874	9.524	2.098
10,000 lumen	250	0.292	1,215	9.720	2.917
21,000 lumen	400	0.460	1,914	10.705	4.594
<u>Metal Halide</u>					
14,000 lumen	175	0.210	874	9.524	2.098
20,500 lumen	250	0.292	1,215	9.720	2.917
36,000 lumen	400	0.460	1,914	10.705	4.594
<u>Sodium Vapor</u>					
9,500 lumen (Open Refractor)	100	0.117	487	5.727	1.169
9,500 lumen	100	0.117	487	7.442	1.169
16,000 lumen	150	0.171	711	8.782	1.707
22,000 lumen	200	0.228	948	8.385	2.275
27,500 lumen	100	0.117	487	7.442	1.169
27,500 lumen	200	0.228	948	8.385	2.275
50,000 lumen	400	0.471	1,959	7.455	4.702

Decorative Fixtures (a)

Mercury Vapor

7,000 lumen (Town & Country)	175	0.205	853	12.751	2.047
7,000 lumen (Aspen)	175	0.210	874	18.143	2.098

Sodium Vapor

9,500 lumen (Town & Country)	100	0.117	487	19.451	1.169
9,500 lumen (Holophane)	100	0.128	532	20.188	1.277
9,500 lumen (Gas Replica)	100	0.128	532	35.982	1.277
22,000 lumen (Rectilinear)	200	0.246	1,023	21.366	2.455

- (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.

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:

	<u>Lamp Watts</u>	<u>KW/ Luminaire</u>	<u>Annual KWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
<u>Mercury Vapor</u>					
21,000 lumen	400	0.460	1,914	9.899	4.594
<u>Metal Halide</u>					
20,500 lumen	250	0.246	1,023	7.317	2.455
36,000 lumen	400	0.460	1,914	9.899	4.594
<u>Sodium Vapor</u>					
9,500 lumen	100	0.117	487	6.909	1.169
22,000 lumen	200	0.246	1,023	7.317	2.455
30,000 lumen	200	0.246	1,023	7.317	2.455
50,000 lumen	400	0.480	1,997	8.050	4.793

MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER

Demand Related Component	1.0528¢ per kWh
Energy Related Component	1.8276¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the

incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate OL, including a firm supply of electric generation, should the increase be granted in full is 1.35%.

**PROPOSED RATE NSU
STREET LIGHTING SERVICE FOR NON-STANDARD UNITS**

STREET LIGHTING SERVICE FOR NON-STANDARD UNITS, SHEET NO. 63.12

APPLICABILITY

Applicable to municipal, county, state and federal governments, including divisions thereof, hereafter 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 December 2, 1983.

NET MONTHLY BILL

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

	<u>Lamp Watts</u>	<u>kW/ Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
1. Base Rate					
A. Company owned					
1) Steel boulevard units and 15 and 30 ft. steel poles served underground					
a. 1,000 lumen incandescent	65	0.065	270	6.246	0.648
b. 4,000 lumen incandescent	295	0.295	1,227	13.093	2.945
c. 6,000 lumen incandescent	405	0.405	1,685	12.652	4.045
d. 50,000 lumen sodium vapor	400	0.471	1,959	11.702	4.702
2) Street light units served over- head on Company owned pole					
a. 2,500 lumen incandescent	148	0.148	616	3.868	1.479
b. 6,000 lumen incandescent	405	0.405	1,685	1.469	4.045
c. 2,500 lumen mercury vapor	100	0.115	478	4.178	1.147
B. Customer owned					
1) Lighting system on steel poles served either overhead or under- ground with limited maintenance by Company					
a. 21,000 lumen mercury vapor	400	0.460	1,914	0.130	4.594
2) Fixtures mounted on Company owned pole served underground in conduit with limited maintenance by Company					
a. 21,000 lumen mercury vapor (Two fixtures per pole)	400	0.460	1,914	10.172	4.594

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

Demand Related Component	1.0528¢ per kWh
Energy Related Component	1.8276¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate NSU, including a firm supply of electric generation, should the increase be granted in full is 1.47%.

**PROPOSED RATE NSP
PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS**

PRIVATE OUTDOOR LIGHTING FOR NON-STANDARD UNITS, SHEET NO. 64.12

APPLICABILITY

Applicable to service for outdoor lighting on private property with Company owned overhead 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.

NET MONTHLY BILL

1. Private outdoor lighting units:

The following monthly charge for Town and Country fixtures installed, or for which customer has contracted with Company to install, prior to March 1, 1991 will be assessed:

	Lamp Watts	kWh/ Unit	Annual kWh	Distribution Energy & Equipment \$/Unit	Market Price Generation Charge \$/Unit
9,500 lumen Sodium Vapor	100	0.117	487	8.802	1.169

The following monthly charge will be assessed for existing facilities, but this unit will not be available to new customers after March 2, 1972:

	<u>Lamp Watts</u>	<u>kW/ Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
2,500 lumen Mercury, Open Refractor	100	0.115	478	6.929	1.147
2,500 lumen Mercury, Encl. Refractor	100	0.115	478	9.795	1.147

2. 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 March 1, 1991:

	<u>Lamp Watts</u>	<u>kW/ Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
7,000 lumen Mercury, Mounted on a 17-foot Fiberglass Pole	175	0.205	853	12.501	2.047
7,000 lumen Mercury, Mounted on a 30-foot Wood Pole	175	0.205	853	11.255	2.047

3. 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 to new customers after June 1, 1982:

	<u>Lamp Watts</u>	<u>kW/ Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
52,000 lumen Mercury (35-foot Wood Pole)	1,000	1.102	4,584	9.608	11.004

MARKET PRICE GENERATION CHARGES - MARKET BASED
STANDARD SERVICE OFFER

Demand Related Component	1.0528¢ per kWh
Energy Related Component	1.8276¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate NSP, including a firm supply of electric generation, should the increase be granted in full is 1.75%.

PROPOSED RATE SC STREET LIGHTING SERVICE - CUSTOMER OWNED

STREET LIGHTING SERVICE CUSTOMER OWNED, SHEET NO. 65.12

APPLICABILITY

Applicable to municipal, county, state and federal governments, including divisions thereof, and incorporated homeowners 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 service will no longer be available for units installed after December 31, 2008.

NET MONTHLY BILL

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

	<u>Lamp Watts</u>	<u>kW/ Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
1. Base Rate					
Fixture Description					
Standard Fixture (Cobra Head)					
Mercury Vapor					
21,000 lumen	400	0.430	1,788	0.287	4.292
Sodium Vapor					
9,500 lumen	100	0.117	487	1.125	1.169
16,000 lumen	150	0.171	711	1.125	1.707
22,000 lumen	200	0.228	948	1.126	2.275

27,500 lumen	250	0.318	1,323	0.431	3.175
50,000 lumen	400	0.471	1,959	0.656	4.702
Decorative Fixtures					
Sodium Vapor					
16,000 lumen (Hadco)	150	0.171	711	1.439	1.707
22,000 lumen (Rectilinear)	200	0.246	1,023	0.947	2.455
50,000 lumen (Rectilinear)	400	0.471	1,959	0.970	4.702

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>\$/ Pole</u>
Wood		
30 foot	W30	4.51
35 foot	W35	4.77
40 foot	W40	5.52
Aluminum		
12 foot	A12	12.10
28 foot	A28	6.71

Customer Owned and Maintained Units

The rate for energy used for this type street lighting will be 1.5849¢ per kilowatt-hour as shown 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.

Distribution	0.4390¢ per kWh
Generation (Demand Related)	0.4188¢ per kWh
Generation (Energy Related)	0.7271¢ per kWh

MARKET PRICE GENERATION CHARGES – MARKET BASED STANDARD SERVICE OFFER

Demand Related Component	1.0528¢ per kWh
Energy Related Component	1.8276¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or

2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate SC, including a firm supply of electric generation, should the increase be granted in full is 0.49%.

PROPOSED RATE SE STREET LIGHTING SERVICE - OVERHEAD EQUIVALENT

STREET LIGHTING SERVICE – OVERHEAD EQUIVALENT, SHEET NO. 66.12

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 service will no longer be available for units installed after December 31, 2004.

NET MONTHLY BILL

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

	<u>Lamp Watts</u>	<u>kW/ Unit</u>	<u>Annual kWh</u>	<u>Distribution Energy & Equipment \$/Unit</u>	<u>Market Price Generation Charge \$/Unit</u>
1. Base Rate					
Fixture Description					
Decorative Fixtures					
<u>Mercury Vapor</u>					
7,000 lumen (Town & Country)	175	0.205	853	3.379	2.047
7,000 lumen (Holophane)	175	0.210	874	3.332	2.098
7,000 lumen (Gas Replica)	175	0.210	874	3.332	2.098
7,000 lumen (Aspen)	175	0.210	874	3.332	2.098
<u>Sodium Vapor</u>					
9,500 lumen (Town & Country)	100	0.117	487	5.434	1.169
9,500 lumen (Holophane)	100	0.128	532	5.333	1.277
9,500 lumen (Rectilinear)	100	0.117	487	5.434	1.169
9,500 lumen (Gas Replica)	100	0.128	532	5.333	1.277
9,500 lumen (Aspen)	100	0.128	532	5.333	1.277
22,000 lumen (Rectilinear)	200	0.246	1,023	5.685	2.455
50,000 lumen (Rectilinear)	400	0.471	1,959	7.162	4.702

Metal Halide

14,000 lumen (Town & Country)	175	0.205	853	3.379	2.047
14,000 lumen (Granville)	175	0.210	874	3.332	2.098
14,400 (Rectangular Cutoff)	175	0.210	874	9.451	2.098
14,500 (Gas Replica)	175	0.210	874	3.332	2.098
36,000 lumen (Low Profile)	400	0.455	1,893	8.148	4.544

**MARKET PRICE GENERATION CHARGES – MARKET BASED
STANDARD SERVICE OFFER**

Demand Related Component	1.0528¢ per kWh
Energy Related Component	1.8276¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate SE, including a firm supply of electric generation, should the increase be granted in full is 1.33%.

**PROPOSED RATE UOLS
UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE**

UNMETERED OUTDOOR LIGHTING ELECTRIC SERVICE, SHEET NO. 67.12

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.

NET MONTHLY BILL

Computed in accordance with the following charge:

Base Rate	
Distribution	0.4393¢ per kWh
Generation – Demand Related Component	0.4334¢ per kWh
Generation – Energy Related Component	0.7524¢ per kWh

MARKET PRICE GENERATION CHARGES – MARKET BASED STANDARD SERVICE OFFER

Generation – Demand Related Component	0.4334¢ per kWh
Generation – Energy Related Component	0.7524¢ per kWh

The Generation Charges listed above are applicable to all customers except those customers that switch to a Certified Supplier for their generation service.

Customers who return to the Company's energy supply after January 2, 2005, will be billed for generation service for each hour at the higher of the following:

1. The demand-related component of the Market Price Generation Charge, plus the energy-related component of the Market Price Generation Charge, plus Rider FPP, or
2. The demand-related component of the Market Price Generation Charge, plus the incremental dispatch cost of the highest cost generation unit/purchased power to serve Duke Energy Ohio load.

The average percentage increase in the total bill of customers under Rate UOLS, including a firm supply of electric generation, should the increase be granted in full is 0.27%.

PROPOSED RIDER DR DISTRIBUTION RIDER

DISTRIBUTION RIDER, SHEET NO. 70

APPLICABILITY

Applicable to all customers receiving service under the Company's retail rate groups.

All customers receiving service under Rate RS, Rate RS3P, Rate CUR, Rate ORH, Rate TD, Rate DS, Rate EH, Rate GS-FL, Rate SFL-ADPL, Rate DM, Rate DP, Rate TS, Rate TL, Rate NSU, Rate NSP, Rate SC, Rate SE, Rate UOLS, Rate OL, Rate SL shall be assessed a monthly charge in addition to the Customer Charge Component of their applicable rate schedule that will enable the Company to recover incremental revenue requirements associated with changes in distribution investments and distribution expenses, net of customer growth.

The charges for the respective electric service schedules are:

Rate RS, Residential Service
Rate RS3P, Residential Three Phase Service
Rate CUR, Common Use Residential Service
Rate ORH, Optional Residential Service with Electric Space Heating
Rate TD, Optional Time-of-Day Rate for Residential Service
Rate DS, Service at Secondary Distribution Voltage
Rate GS-FL, Optional Unmetered General Service Rate for Small Fixed Loads
Rate EH, Optional Rate for Electric Space Heating
Rate DM, Secondary Distribution Service – Small
Rate DP, Service at Primary Distribution Voltage
Rate SFL-ADPL, Optional Unmetered Rate for Small Fixed Loads Attached Directly to Company's Power Lines
Rate TS, Service at Transmission Voltage
Rate SL, Street Lighting Service
Rate TL, Traffic Lighting Service
Rate OL, Outdoor Lighting Service
Rate NSU, Street Lighting Service for Non-Standard Units
Rate NSP, Private Outdoor Lighting for Non-Standard Units
Rate SC, Street Lighting Service – Customer Owned
Rate SE, Street Lighting Service – Overhead Equivalent
Rate UOLS, Unmetered Outdoor Lighting Electric Service

These monthly charges shall remain in effect until changed by order of the Public Utilities Commission of Ohio.

PROPOSED RIDER DIR DEVELOPMENT INCENTIVE RIDER

DEVELOPMENT INCENTIVE RIDER, SHEET NO. 71

GENERAL

Under the terms of this Rider, qualifying customers are required to enter into a Service Agreement with the Company. The Development Incentive Rider consists of three separate programs designed to encourage development and/or redevelopment within the Company's service territory. These three programs are 1. the Economic Development Program 2. the Urban Redevelopment Program and 3. the Brownfield Incentive Program. Requirements of these programs are described below.

PROGRAM DESCRIPTIONS

Economic Development Program

Available, at the Company's option, to non-residential customers receiving service under the provisions of one of the Company's non-residential tariff schedules. This Rider is available for load associated with initial permanent service to new establishments, expansion of existing establishments, or new customers in existing establishments who make application to the Company for service under this Rider and the Company approves such application. The new

load applicable under this Rider must be a minimum of 1,000 kW at one delivery point. To qualify for service under this Rider, the customer must meet the qualifications as set forth below. Further, the customer must have applied for and received economic assistance from the State or local government or other public agency before the Company will approve a Service Agreement under this Rider. Where the customer is new to the Company's service area or is an existing customer expanding:

- 1) The customer must employ an additional workforce in the Company's service area of a minimum of twenty-five (25) full-time equivalent (FTE) employees. Employment additions must occur following the Company's approval for service under this Rider, and;
- 2) The customer's new load must result in minimum customer capital investment of one million dollars (\$1,000,000) at the customers' facility within the Company's service area. This capital investment must occur following the Company's approval for service under this Rider. (Item #1 above may be waived where an existing customer's capital investment exceeds \$10 million.)

The Company may also consider applying this Rider to an existing customer who, but for economic incentives being provided by the State and/or local government or public agency, would leave the Company's service area. In this event, the following provision applies:

- 1) The customer must agree, at a minimum, to retain the current number of FTE employees.

Urban Redevelopment Program

Applicable to new customers locating in an existing building of 50,000 square feet or more, which has been unoccupied and/or remained dormant for a period of two years or more, as determined by the Company. The new customer load must be a minimum of 500 kW at one delivery point. In addition, the requested service necessary to serve the new load must not result in additional investment in distribution or transmission facilities by the Company, excepting that minor alterations in the service supplied which can be accomplished feasibly and economically may be allowed.

Brownfield Redevelopment Program

Applicable to customers locating in a qualified "brownfield" redevelopment area so designated by the Ohio Environmental Protection Agency and served by existing service lines. A qualified site must receive direct "economic assistance" from either the State of Ohio or one of its political jurisdictions. The value of the BR Incentive cannot exceed the amount of public participation. Additionally, customers are required to take service under the provisions of one of the Company's non-residential tariff schedules.

The new load applicable under this Rider must be a minimum of 250 kW at one delivery point, with one meter.

TERMS AND CONDITIONS

These Riders are not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into a Service Agreement for service under this Rider, the successor customer may be allowed to fulfill the balance of the Service Agreement under this Rider. This Rider is also not available for renewal of service following interruptions such as equipment failure, temporary plant shutdown, strike, or economic conditions. This Rider is not available for load shifted from one customer to another within the Company's service area.

The customer must enter into a Service Agreement with the Company which shall specify, among other things, the voltage at which the customer will be served, a description of the amount and nature of the new load and the basis on which the customer requests qualification for this Rider.

For customers entering into a Service Agreement under this Rider due to expansion, the Company may, at the customer's expense, install metering equipment necessary to measure the new load to be billed under the provisions of this Rider separate from the customer's existing load which shall be billed under the applicable standard tariff schedule.

Following the effective date of the Service Agreement, the customer must maintain a minimum demand in accordance with the Service Agreement and maintain a monthly average of 300 hours use of demand. Failure to do so will result in the customer's Service Agreement being terminated.

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

NET MONTHLY BILLING

The customer shall comply with all terms of the standard distribution tariff rate under which the customer takes service except the customers' monthly distribution demand charge shall be reduced by up to fifty (50) percent for a period of twenty-four (24) months. The customer will pay the full amount of all riders and the entirety of the applicable market-based standard service offer.

The customer may request an effective date of the Service Agreement which is no later than twelve (12) months after Company's approval of the Service Agreement with the customer. A Service Agreement must be fully executed within 30 days of taking the subject new service from the Company. All subsequent billings shall be at the appropriate full standard service tariff rate.

TYPE OF SERVICE

The service provided shall be 60Hz alternating current provided at the Company's standard distribution or transmission voltage.

SERVICE REGULATIONS

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

PROPOSED RATE RTP REAL TIME PRICING PROGRAM

REAL TIME PRICING PROGRAM, SHEET NO. 90.5

APPLICABILITY

Applicable to Customers served under the Standard Offer Rate DS, Rate DP, or Rate TS. Service under the RTP Program will be offered through the Market Development Period starting on January 1, 2001. 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 service agreement with a minimum term of one year. Customers electing a Certified Supplier will not be eligible to participate in the Program.

ENERGY DELIVERY CHARGES

The hourly Energy Delivery Charges are charges for using the distribution system to deliver energy to the Customer. The applicable hourly Energy Delivery Charges (Credits) 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:

Rate DS	\$ 0.018495 per kW Per Hour
Rate DP	\$ 0.029502 per kW Per Hour
Rate TS	\$ 0.000000 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.

PROGRAM CHARGE

Company will 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 \$325 per billing period per Customer 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.

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.

The average percentage increase (decrease) in the total bill of customers under RTP-DS, RTP-DP, and RTP- TS, including a firm supply of electric generation, should the increase be granted in full is 17.21%, 34.90% and (0.34%) respectively.

**PROPOSED RATE PA
POLE ATTACHMENT/CONDUIT OCCUPANCY TARIFF
P.U.C.O NO. 1, SHEET NO. 1.6**

APPLICABILITY

Applicable to any person or entity other than a public utility (hereinafter "Licensee") authorized to complete a "wireline attachment" or an "occupancy", as defined herein, to any distribution pole or in any conduit in the service territory of Duke Energy Ohio, Inc. (hereinafter the "Company"). As used in this Tariff, a "wireline attachment" is the attachment of wire or cable and associated facilities or apparatus within one (1) foot of vertical space to any distribution pole owned by the Company and "occupancy" is the placement of wire or cable and associated facilities or apparatus in conduit space owned by the Company.

Rentals for any requested attachment or occupancy other than those to which this Tariff applies, including but not limited to wireless and WiFi equipment/attachments and overlashings of existing attachments, shall be negotiated separately between the Company and prospective attacher. The size, type, and placements of any attachment or occupancy that is not subject to this Tariff shall be at the sole discretion of the Company and in compliance with a signed agreement between the Company and prospective attacher authorizing such attachment or occupancy.

AGREEMENT

Before any wireline attachment or occupancy is made, Licensee shall enter into and be bound by a Pole Attachment or Conduit Occupancy License Agreement (hereinafter the "Agreement"). The Agreement shall specifically authorize the type of service to be provided, e.g., cable television. In addition to any wireline attachment or occupancy, the Agreement may authorize other attachments to which this Tariff does not apply, as agreed between the Company and Licensee.

The Company expressly reserves the right to establish terms and conditions in the Agreement that are not inconsistent with this Tariff.

ATTACHMENT CHARGES

An annual rental of \$14.42 per wireline attachment shall be charged for the use of the Company's poles. Any attachments outside the one (1) foot of vertical space will be considered another attachment and a separate annual rental charge will apply. The charge will apply if any portion of a pole is occupied or reserved at the Licensee's request.

For conduit occupancy, the occupancy fee per linear foot shall be negotiated by the Company and Licensee based on the location, space availability and other factors.

PAYMENT

All payments due from Licensee shall be invoiced by Company and payment shall be made by Licensee within twenty-one (21) days from the date of invoice. When any payments due from Licensee are not timely made, the amount due shall be adjusted to include interest.

equal to one and one-half percent (1.5%) of the unpaid amount, which will accrue monthly until paid.

The annual rental amount shall be paid in advance by Licensee.

As new wireline attachments or occupancies are made after the initial rental year, rentals for such wireline attachments or occupancies shall be paid for the entire year if made within the six-month period after any anniversary date, and for one-half year if made during the following six-month period. For any wireline attachments that Licensee removed or any occupancy that Licensee caused, at its expense, to be removed and for which the Company received written notice from Licensee, the yearly rental shall be adjusted on the same basis.

TERMS AND CONDITIONS

1. APPLICATION

Before any wireline attachment is made by Licensee or any occupancy is made on Licensee's behalf, Licensee shall make written application for permission to install such wireline attachment on any pole of the Company or occupy any conduit of the Company. The written application shall specify the location of each pole or conduit in question, the character of the proposed attachment or occupancy, and the amount and location of space desired. Within forty-five (45) days after receipt of such written application, the Company shall notify Licensee in writing whether or not it is willing to permit the wireline attachment or occupancy and, if so, under what conditions. Licensee is not presumed to have permission to make any wireline attachment or to occupy Company's conduit in the event notification is not made by the Company within forty-five (45) days of its receipt of Licensee's written application. The Company shall have the sole right to determine the availability of such pole or conduit for joint use and shall be under no obligation to grant permission for its use by Licensee. If such permission is granted, Licensee shall have the right to use the space allotted by the Company under the conditions specified in such permit and in accordance with the terms of the Agreement but Company shall not be required to set a pole or install conduit for the sole use by Licensee. Permission to occupy a conduit, if granted, shall not authorize Licensee to access the Company's conduit. Such access shall be limited to the Company or its designated representative.

2. TECHNICAL MANUALS

Upon the execution of the Agreement and before Licensee makes any wireline attachment or causes an occupancy to be made, Licensee shall send the Company all manufacturer's technical manuals and information, construction standards and manuals, and feasibility or loading studies regarding the equipment Licensee proposes to use pursuant to the provisions of the Agreement.

3. TECHNICAL SPECIFICATIONS

All wireline attachments or occupancies are to be placed on poles or in conduit of the Company in a manner satisfactory to the Company and so as not to interfere with the present or any future use that the Company may desire to make of such poles, wires, conduits, or other facilities. All wireline attachments or occupancies shall be installed and maintained by Licensee or on Licensee's behalf and at its expense so as to comply at least with the minimum requirements of the National Electrical Safety Code, any requirements that may be established by the Company, and any other applicable regulations or codes promulgated by federal, state, local or other governmental authority having jurisdiction. Licensee shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Licensee's wireline attachments on the

Company's poles or occupancy in the Company's conduit. The Company shall be the sole judge as to the requirements for the present or future use of its poles, conduits, and equipment and of any interference therewith.

4. REPLACEMENT COSTS

In any case where it is necessary for the Company to replace a pole or conduit because of the necessity of providing adequate space or strength to accommodate the wireline attachments or occupancy of Licensee thereon, either at the request of Licensee or to comply with the above mentioned codes and regulations, the Licensee shall pay the Company the total cost of this replacement. Such cost shall be the total estimated cost of the new pole or conduit, including material, labor, and applicable overheads, plus the cost of transferring existing electric facilities to the new pole or conduit, plus the cost of removal of the existing pole or conduit and any other incremental cost required to provide for the wireline attachments of or occupancy by the Licensee, including any applicable taxes the Company may be required to pay because of this change in plant, minus salvage value of any facilities removed.

Licensee shall also pay to the Company and other owners thereof the cost of removing all existing attachments from the existing pole or conduit and re-establishing the same or like attachments on the newly installed pole or in the newly installed conduit. The new pole or conduit shall be the property of the Company regardless of any payments by Licensee towards its cost, and Licensee shall acquire no right, title or interest in such pole or conduit.

5. REARRANGING COSTS

If Licensee's proposed wireline attachments or occupancy can be accommodated on existing poles or in existing conduit of the Company by rearranging facilities of the Company and of other licensees thereon and if the Company and other licensees are willing to make such rearrangement, such rearrangement shall be made by the Company and such other licensees, and Licensee shall reimburse the Company and such other licensees for any expense incurred by them in transferring or rearranging such facilities. Any additional guying required by reason of the attachments of Licensee shall be made by Licensee at its expense and to the satisfaction of the Company. The Company shall not be responsible for coordinating the relocation of third party attachments.

6. INSPECTIONS

The Company reserves the right to inspect each new installation of Licensee on its poles and in its conduit and to make periodic inspections/inventories every five (5) years or more often if, in the Company's sole discretion, the conditions may warrant, and Licensee shall reimburse the Company for the expense of such inspections/inventories. The Company's right to make such inspections and any inspection made pursuant to such right shall not relieve Licensee of any responsibility, obligation, or liability imposed by law or assumed under the Agreement. When an unauthorized attachment or occupancy is found during an inspection/inventory, the Licensee will pay the Company an unauthorized attachment or occupancy sanction in the following amounts: \$100 per unauthorized attachment or occupancy plus five (5) years annual rental if an unauthorized attachment or occupancy is found and Licensee has not participated in a required audit; or, \$50 per unauthorized attachment or occupancy plus five (5) years annual rental if the Licensee does participate in the audit or identifies the unauthorized attachment or occupancy on its own.

7. SAFETY VIOLATIONS

Whenever the Company notifies Licensee in writing that the wireline attachments or occupancies of Licensee interfere with the operation of facilities of the Company or

other licensee, constitute a hazard to the service rendered by the Company or other licensee, or fail to comply with codes, regulations, or requirements set forth in Paragraph 3 above or in the Agreement, Licensee shall, within ten (10) days after the date of such notice, remove, rearrange, or change its wireline attachments or ensure that, at its expense, its occupancy is removed, rearranged, or changed as directed by the Company. In case of emergency, the Company reserves the right to remove or relocate the Licensee's wireline attachments or occupancy at Licensee's expense and without notice, and no liability therefore shall be incurred by the Company because of such action.

Licensee shall be assessed a sanction of \$200 dollars for each wireline attachment or occupancy that violates the codes, regulations, or requirements set forth in Paragraph 3 above or in the Agreement.

8. INDEMNIFICATION

Licensee agrees to indemnify and save harmless the Company from and against any and all liability, loss, damage, costs, attorney fees, or expense, of whatsoever nature or character, arising out of or occasioned by any claim or any suit for damages, injunction or other relief, on account of injury to or death of any person, or damage to any property including the loss of use thereof, or on account of interruption of Licensee's service to its subscribers or others, or for public charges and penalties for failure to comply with federal, state or local laws or regulations, growing out of or in connection with any act or omission, negligent or otherwise, of Licensee or its servants, agents or subcontractors in the attachment, operation and maintenance of facilities of Licensee on the poles or in the conduit of the Company, and in the performance of work hereunder, whether or not due in whole or in part to any act, omission or negligence of the Company or any of its representatives or employees (except insofar as such indemnity arising out of such injury or damage caused by the sole negligence of the Company or such representatives or employees may be judicially found to be contrary to law, in which case this Agreement of indemnity shall in all other respects be and remain effective and binding). The Company may require Licensee to defend any suits concerning the foregoing, whether such suits are justified or not.

9. INSURANCE REQUIREMENTS

Licensee agrees to obtain and maintain at all times during the period Licensee has wireline attachments on the Company's poles or occupancy in the Company's conduit, policies of insurance as follows:

- (a) Public liability and automobile liability insurance for itself in an amount as specified by the Company for bodily injury to or death of any one person, and, subject to the same limit for any one person, in an aggregate amount as specified by the Company for any one occurrence.
- (b) Property damage liability insurance for itself in an amount as specified by the Company for any one occurrence.
- (c) Contractual liability insurance in amounts as specified by the Company to cover the liability assumed by the Licensee under the agreements of indemnity set forth in the Agreement.

10. CERTIFICATE OF INSURANCE

Prior to making wireline attachments to the Company's poles or occupancy in the Company's conduit, Licensee shall furnish to the Company two copies of a certificate, from an insurance carrier acceptable to the Company, stating that policies of insurance have been issued by it to Licensee providing for the insurance listed above and that such

policies are in force. Such certificate shall state that the insurance carrier will give the Company thirty (30) days prior written notice of any cancellation of or material change in such policies. The certificate shall also quote in full the agreements of indemnity set forth in the Agreement as evidence of the type of contractual liability coverage furnished. If such certificate recites that it is subject to any exceptions or exclusions contained in the policy or policies of insurance, such exceptions or exclusions shall be stated in full in such certificate, and the Company may, at its discretion, require Licensee before starting work, to obtain policies of insurance that are not subject to any exceptions or exclusions that the Company finds objectionable.

11. **DISCONTINUATION OF COMPANY FACILITIES**

The Company reserves the right, without liability to Licensee or its subscribers, to discontinue the use of, remove, replace or change the location of any or all of the Company's poles, attachments, conduit, or facilities regardless of any wireline attachment to the Company's poles by Licensee or occupancy in the Company's conduit by Licensee, and Licensee shall, at its sole cost and within ten (10) days after written notice by the Company make or cause to be made such changes in, including removal or transfer of, its wireline attachments or occupancies as shall be required by such action of the Company.

12. **ABANDONMENT**

Licensee may at any time abandon the use of a pole or conduit under the Agreement hereunder by removing therefrom all of its wireline attachments or by requesting the Company to remove, at Licensee's expense, all of its occupancies and by giving written notice thereof to the Company.

13. **PERMITS, EASEMENTS, AND RIGHTS-OF-WAY**

Licensee shall secure any right, license or permit from any governmental body, authority, or other person or persons that may be required for the construction or maintenance of Licensee's wireline attachments or occupancies, at its expense. The Company does not guarantee any easements, rights-of-way or franchises for the construction and maintenance of such wireline attachments or occupancies. Licensee hereby agrees to indemnify and save harmless the Company from any and all claims, including the expenses incurred by the Company to defend itself against such claims, resulting from or arising out of the failure of Licensee to secure such right, license, permit or easement for the construction or maintenance of such attachment on the Company's pole or occupancy in the Company's conduit.

14. **SUPPLY OF ELECTRIC SERVICE**

Electric service for power supplies of a Licensee shall be supplied from the lines of the Company in a manner specified by the Company.

15. **USE BY THIRD PARTIES**

The Company shall have the right, from time to time during the term of the Agreement, to grant, by contract or otherwise, to others not parties to the Agreement, rights or privileges to use any pole or conduit covered by the Agreement, and the Company shall have the right to continue and extend any such rights or privileges heretofore granted. The wireline attachment and occupancy privileges granted hereunder shall at all times be subject thereto.

16. **BOND**

Licensee shall furnish a bond, as specified by the Company, to guarantee the performance of the obligations assumed by Licensee under the terms of the Agreement not otherwise covered by the insurance required by paragraph 9. Such bond shall be

submitted to the Company prior to Licensee making attachment to the Company's poles or occupying the Company's conduit.

17. REIMBURSEMENT FOR WORK PERFORMED

In case one Party is obligated to perform certain work at its own expense and the Parties mutually agree in writing that it is desirable for the other Party to do such work, then such other Party shall promptly do the work at the sole expense of the Party originally obligated to perform the same. Bills for expense so incurred shall be due and payable within thirty (30) days after presentation.

18. DEFAULT

If Licensee fails to comply with any of the provisions of the Agreement or defaults in the performance of any of its obligations under the Agreement and fails within sixty (60) days after written notice from the Company to correct such default or non-compliance, the Company may, at its option, forthwith terminate the Agreement, or the specific permit or permits covering the poles or conduit and Licensee's wireline attachments or occupancies to which such default or non-compliance is applicable, and remove wireline attachments or occupancies of Licensee at Licensee's expense, and no liability therefore shall be incurred by the Company because of such action.

19. MAPS

The area covered by the Agreement shall be set forth on a map, attached to, and made a part of the Agreement. Such area may be extended or otherwise modified by a supplemental agreement mutually agreed upon and signed by the Parties to an Agreement with a new map attached thereto showing the changed area to be thereafter covered by the Agreement. Such supplement shall be effective as of the date of final execution thereof and shall be attached to all executed copies of the Agreement.

20. EXPIRATION OF AGREEMENT

If Licensee does not exercise the rights herein granted within six (6) months from the execution date of the Agreement, the Agreement shall be void. The Agreement shall start as of the execution date thereof and shall continue for a period of one year and shall be self-renewing from year to year thereafter unless terminated by either Party's giving to the other Party written notice at least sixty (60) days prior to the end of any yearly term. Licensee shall completely remove its wireline attachments from the Company's poles or direct the Company to remove, at Licensee's expense, its occupancy in the conduit on or prior to the termination date, unless a new Agreement covering such poles or conduit has been executed by the Parties hereto.

21. BINDING EFFECT

The Agreement shall be binding upon and inure to the benefit of the Parties thereto, their respective successors and/or assigns, but Licensee shall not assign, transfer or sublet any of the rights hereby granted or obligations hereby assumed without the prior written consent of the Company and without the execution of a separate agreement between the Company and Licensee's assignee, transferee, or sublessee.

22. DEPOSIT

The Licensee may be required to pay a cash deposit to the Company in order to establish or re-establish credit in an amount not in excess of the total annual rental fees. After the Licensee has established a reasonable credit record by paying the rental fees for two consecutive years within the time specified in the Agreement, the Company shall apply the deposit plus an accrued interest to the next annual rental fee amount which is due and payable with the next subsequent anniversary date. The Company shall pay interest thereon in accordance with Rule 4901:1-17-05 of the Ohio Administrative Code.

23. **FORCE MAJEURE**

Except as may be expressly provided otherwise, neither Party shall be liable to the other for any failure of performance under the Tariff or Agreement due to causes beyond its reasonable control, including: (a) acts of God, fire, explosion, vandalism, storm, or other similar occurrences; (b) national emergencies, insurrections, riots, acts of terrorism, or wars; (c) strikes, lockouts, work stoppages, or other labor difficulties. To the extent practicable, the Parties shall be prompt in restoring normal conditions, establishing new schedules and resuming operations as soon as the force majeure event causing the failure or delay has ceased. Each Party shall promptly notify the other Party of any delay in performance under this paragraph and its effect on performance required under the Tariff or Agreement.

If any pole or conduit of the Company is damaged or destroyed by a force majeure event so that, in the Company's sole discretion, the pole or conduit is rendered materially unfit for the purposes described in the Tariff or Agreement and the Company elects not to repair or replace the pole or conduit, then permission to attach to such pole or occupy such conduit shall terminate as of the date of such damage or destruction.

SERVICE REGULATIONS

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

OTHER PROPOSED CHANGES

The Company proposes to make the following additional changes to its electric tariff:

1. **Section IV – Customer's and Company's Installations, paragraph 3 – Installation and Maintenance.** The following provision is added:

The Company shall not be required to construct general distribution lines underground unless the cost of such special construction for general distribution lines and/or the cost of any change of existing overhead general distribution lines to underground which is required or specified by a municipality or other public authority (to the extent that such cost exceeds the cost of construction of the Company's standard facilities) shall be paid for by that municipality or public authority.

2. **Section VI – Billing and Payment, paragraph 3 – Temporary Discontinuance of Service.** The following provision is changed:

If any residential customer notifies the Company in writing to discontinue service, the Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that the Company may charge and collect a fee in accordance with paragraph B of Sheet No. 92 prior to reconnecting a service which was discontinued at the customer's request within the preceding twelve months.

3. **Section VI – Billing and Payment, paragraph 6 – Net Metering.** The following sentence is added to the end of the third last subparagraph:

Credits will be limited to generation charges, and will not apply to other metered charges such as those for distribution and transmission service.

The above proposed provisions, rates, and charges are subject to changes, including changes as to amount and form, by The Public Utilities Commission of Ohio following a public hearing on the filed application. Recommendations which differ from the filed application may be made by the Staff of The Public Utilities Commission of Ohio or by intervening parties and may be adopted by the Commission.

Any person, firm, corporation or association may file, pursuant to Section 4909.19 of the Revised Code, an objection to such proposed increased rates by alleging that such proposals are unjust and discriminatory or unreasonable.

Any person, firm, corporation or association may file a motion to intervene. Intervenor may obtain copies of the application and other filings made by the Company by contacting Ms. Anita Schafer at (513) 419-1847, Duke Energy Ohio, Inc.

WHEREFORE, since the rates, prices, charges, and other provisions in DE-Ohio's current electric rate schedules do not yield just and reasonable compensation to DE-Ohio for supplying electric distribution service to the customers to which they are applicable, do not yield a just and reasonable return to DE-Ohio on the value of the property used for furnishing such electric distribution service to such customers, and result in the taking of DE-Ohio's property for public use without compensation and without due process of law, DE-Ohio respectfully prays that your Honorable Commission:

- (a) Accept this Application for filing;
- (b) Find that this Application and the attached Schedules filed herewith and incorporated herein, are in accordance with R. C. 4909.18 and the Rules of the Commission;
- (c) Approve the Form of Notice in the attached Schedule S-3;
- (d) Find that the current rates, prices, and charges for electric service are unjust, unreasonable and insufficient to yield reasonable compensation to DE-Ohio for the electric distribution service rendered;
- (e) Find that the proposed rates, prices, and charges are just and reasonable based upon the test period for the twelve months ending December 31, 2008, and approve such schedules in the form tendered herewith;
- (f) Find that DE-Ohio is in compliance with R. C. 4905.35;
- (h) Approve DE-Ohio's Application for Approval to Change Accounting Methods consistent with the Commission's approval of DE-Ohio's proposed deferrals in Case Nos. 08-711-EL-AAM and 08-710-EL-ATA and its Distribution Reliability Rider, and its Development Incentive Rider;

- (i) Fix the date on or after which applicable services provided to non-residential customers are subject to the proposed rates at January 1, 2009; and
- (j) Fix the date on or after which applicable services provided to residential customers are subject to the proposed rates at January 1, 2009.

A copy of the Application, including a copy of the present and proposed rate sheets, may be inspected by any interested party at the office of the Commission, 180 East Broad Street, Columbus, Ohio 43266-0573; or at the following business offices of the Company: 139 East Fourth Street, Cincinnati, Ohio or 644 Linn St. Cincinnati, Ohio 45203

Any interested party seeking detailed information with respect to all affected rates, charges, regulations and practices may inspect a copy of the application, including supporting schedules and present and proposed rate sheets, at the offices of the Commission at 180 East Broad Street, 13th floor, Columbus, Ohio, 43215-3793; by visiting the Commission's web site at <http://www.puco.ohio.gov>, selecting DIS, inputting 08-709 in the case-lookup box, and selecting the date the application was filed; or by telephoning the Commission at 1-800-686-7826. In addition, a copy of the application and supporting documents may be viewed at the business office of the Company at 139 East Fourth Street, Cincinnati, Ohio or 644 Linn St., Cincinnati, Ohio.

DUKE ENERGY OHIO, INC.

MANAGEMENT POLICIES, PRACTICES & ORGANIZATION
OF
DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SCHEDULES S-4.1
YEAR 2008

DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION
CORPORATE SUMMARY

In May 2005 Duke Energy Corporation (Duke Energy) and Cinergy Corp. (Cinergy) announced they entered into a definitive merger agreement. Closing of the transition occurred in the second quarter of 2006. Duke Energy is based in Charlotte, North Carolina and operates in North Carolina, South Carolina, Ohio, Kentucky, and Indiana. Duke Energy operates the following business units: U.S. Franchised Electric and Gas, Commercial Power, Generation Services, International, Real Estate, and Telecommunications.

A summary description of Duke Energy's businesses as described on the company's website www.duke-energy.com is seen in Exhibit CSUM-1. Departments which do not charge Duke Energy Ohio, Inc. (Duke Energy Ohio) will not be discussed in detail in the Schedules S-4.2.

I. Policy and Goal Setting

Policies for the Company are set by the executive management team. Policies are tailored to help the Company achieve its objectives. Each officer is responsible for the preparation and review of policies and directives related to his/her area of responsibility. In addition, standing corporate committees and boards, which are charged with a defined area of responsibility, may also initiate the development of policies or directives. Each proposed policy and directive is subject to review and approval by senior management. The product of some of these policy decisions by which company employees are expected to conduct business are embodied in the Code of Business Ethics, which is attached as Exhibit CSUM-2 respectively. These guidelines are available to all employees in electronic format on the corporate intranet.

Charters for Board Committees are attached as follows: Audit Committee Charter Exhibit CSUM-3, Corporate Governance Committee Charter Exhibit CSUM-4, Compensation Committee Charter Exhibit CSUM-5, Finance & Risk Management Charter Exhibit CSUM-6 and Nuclear Oversight Committee Exhibit CSUM-7.

The responsibility of executive management is to develop goals that will challenge Company employees to meet and exceed the day to day objectives associated with the Company's business purpose. The Corporate and Departmental incentive goals are built off of the Duke Energy Mission (CSUM-8) and EPS earnings goals.

Duke Energy's strategy is firmly rooted in the core values of the Company, which are caring, integrity, openness, passion, respect, and safety. Duke's strategy takes key attributes of our business into account, such as focusing on stakeholders, especially the customer, demonstrating environmental stewardship, conducting business ethically and honestly, striving for high performance, creating win-win relationships and above all, emphasizing a relentless commitment to working safely.

II. Strategic Planning

On an annual basis, the company completes a five-year business plan and forecast. The plan includes a qualitative and quantitative assessment of the key business trends within each business unit, Corporate Center, and the company's Administrative operations. The Strategy & Planning and Finance Departments facilitate the planning process, which lasts about five months. The planning process involves the active participation of the Chief Financial Officer and Business Unit leadership.

The business planning process provides an opportunity to highlight operational issues, opportunities, threats and resource requirements. In addition, it evaluates external market and/or regulatory drivers that influence our business and incorporates those events into the planning horizon

III. Organizational structure

To gain a complete understanding of Duke Energy's organization, the legal structure will be presented first, with an explanation of the management structure following. Duke Energy's corporate legal structure is attached as Exhibit CSUM-9.

Legal Structure

- Duke Energy is a registered holding company under the Public Utility Holding Company Act of 1935, as amended. A Delaware corporation organized in 2005.
 - Cinergy Corp. is a registered holding company under the Public Utility Holding Company Act of 1935, as amended and is a Delaware corporation organized in 1993.
 - Duke Energy Ohio and its subsidiaries are engaged in the production, transmission, distribution and sale of electricity and the sale and transportation of natural gas in the southwestern portion of Ohio and northern Kentucky;
 - Duke Energy Indiana is engaged in the production, transmission, distribution and sale of electricity in north-central, central and southern Indiana;

- Cinergy Receivables Company LLC purchases the accounts receivables and related rights of Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc. and Duke Energy Ohio. Also, Cinergy Receivables Company LLC is responsible for securitizing such receivables through a loan agreement with certain commercial banks;
- Cinergy Global Resources, Inc. is the United States holding company created for Cinergy's international non-regulated investments. Through its subsidiaries, Cinergy Global Resources holds interests in generation and gas distribution projects that have ongoing operations as well as indirectly owned entities in the UK that have ceased active trade or business and are being closed down. The UK entities being closed down were part of the UK gas and electricity trading business;
- Duke Energy Shared Services, Inc., the service company for Duke Energy, provides a variety of administrative, management and support services to Duke Energy's utility and non-utility subsidiaries. Effective July 1, 2008, Duke Energy Shared Services and Duke Energy Business Services, the two Duke Energy service companies, were combined into one service company, Duke Energy Business Services;
- Cinergy Investments, Inc. is a non-utility subsidiary holding company that holds the majority of Cinergy's domestic non-utility businesses;
- DukeTec LLC facilitates energy-related investments in power generation and telecommunications technology. It also invest in opportunities to acquire and manage a network of companies engaged primarily in businesses that take advantage of investment opportunities arising from the deregulation of the electric utility industry;
- Duke Technologies, Inc., a wholly-owned subsidiary of Duke Energy, is a holding company for various Duke Energy investments and initiatives
- Cinergy Wholesale Energy, Inc. is a holding company for non-utility energy services businesses. These include operation and maintenance services to affiliate and non-affiliated exempt wholesale power generators and the trading and marketing of electric power, natural gas, environmental emission allowances, coal and other energy-related products and services.

Management Structure

Nuclear Generation is in charge of the Nuclear operations in North Carolina and South Carolina.

U.S. Franchised Electric and Gas generates, transmits, distributes and sells electricity in central and western North Carolina, western South Carolina, southwestern Ohio, central and southern Indiana, and northern Kentucky. U.S. Franchised Electric and Gas also transports and sells natural gas in southwestern Ohio and northern Kentucky.

Finance consists of investor relations, rates and regulatory accounting, tax, financial reengineering and financial IT, treasury and corporate accounting. The supply chain function also reports to Finance.

Strategy, Policy and Regulated Activities consists of strategy, federal policy and government affairs, technology, energy efficiency, and environmental, health and safety policy.

Commercial Businesses owns, operates and manages non-regulated merchant power plants and engages in the wholesale marketing and procurement of electric power, fuel and emission allowances related to these plants as well as other contractual positions. Commercial Business also develops and implements customized energy solutions. Commercial Businesses' generation asset fleet consists of Duke Energy Ohio's non-regulated generation in Ohio and the five Midwestern gas-fired merchant generation assets that were acquired from Duke Energy in April 2006,

Duke Energy International operates and manages power generation facility, and engages in sales and marketing of electric power and natural gas outside the U.S. and Canada. Its activities target power generation in Latin America. Additionally, it owns equity investments in Saudi Arabia, Mexico and Greece.

Crescent Resources which is an effective joint venture with Morgan Stanley Real Estate Fund, also is part of commercial business and develops and manages high-quality commercial, residential and multi-family real estate projects primarily in the Southeastern and Southwestern United States.

Commercial Telecom and Investment Management's main focus is investment in the technology sector. The objective of this department is to contribute to Duke Energy's earnings by building a portfolio of emerging technologies via joint ventures or venture capital initiatives that will eventually lead to earnings growth.

Corporate Administration includes information technology, enterprise field services including warehousing and fleet services, enterprise operations services including real estate, and human resources.

Legal includes the Corporate Secretary, ethics and compliance, audit services, securities and financial reporting, and the legal function for franchised electric and gas, human resources, executive compensation and benefits, corporate and commercial businesses.

Sustainability and Community Affairs includes sustainability, community affairs, corporate community relations and the Duke Foundation

An organizational chart of Duke Energy's Executive Leadership is shown in Exhibit CSUM-10 shows Duke for a top tier view of the Company's management structure.

More detailed organization charts of the Company's various departments are provided in Schedule S-4.2.

IV. Responsibilities

Duke Energy remains committed to its key responsibility of providing reliable, low cost service to its customers. As a part of this responsibility, the Company aims to invest in energy infrastructure that meets rising customer demand for reliable energy in an energy efficient and environmentally sound manner and to balance customer's need for rate stability with the investor's expectations for earning a fair return on investments to improve infrastructure. Duke Energy also bears the responsibility to balance the needs of its environmental stakeholders by reducing emissions. Duke Energy is taking an active role in energy efficiency and believes that the most environmentally sound, inexpensive and reliable kilowatt-hour is the one that we don't have to produce.

V. Practices and Procedures

The Board of Directors, the CEO and his direct reports set strategic goals that reinforce Duke's core values. Employees throughout the company translate these goals into action. Duke Energy encourages the development of policy documents that are pertinent to particular departments. Many of the departmental policy documents are shown as exhibits in the departmental documents provided in schedule S-4.2. These policies and procedures are also published on the company intranet so that they are accessible to all employees, irrespective of their location. The company also has internal controls and procedures to ensure the accuracy of its financial data. The principles for Corporate Governance are attached as Exhibit CSUM-11

VI. Decision Making and Control

Duke Energy has a structured yet flexible approach to planning and decision-making. Strategic decisions are mostly made at the senior executive and officer level. Many of the officers and executives attend industry and professional forums that encourage them to engage in planning and visioning exercises. Leadership meetings and conferences are conducted frequently at various levels of management. At the most senior levels, retreats are organized for the Board of Directors. At the more junior levels, group and team meetings are held. These are specifically aimed at the more task-oriented employees. Special conferences and meetings are scheduled to rollout major projects and initiatives.

VII. Internal and External Communication

Duke Energy uses a variety of electronic and print media to communicate to its employees. Duke Energy maintains an enterprise portal, "*The Portal*", which can be accessed at work or at home by employees via a secure connection. Internal and external news items of interest to employees are published in *This Week @ Duke Energy*, a weekly publication made available online and in print format. Duke Energy also utilizes cascading communications designed around the corporate organizational structure. Special video presentations and other items of critical importance to employees and the company are presented and explained through employee meetings and leadership conferences. Information regarding personal benefits and other issues important to employees' families is typically delivered through printed correspondence sent directly to employees' homes.

External communication is conducted through a variety of media as well. Shareholder meetings, financial and sustainability annual reports, news releases and other special presentations provide updates on the status of the Company. Residential consumers and small businesses receive information via bill inserts. In cases involving larger commercial and industrial customers, customer service representatives may choose to communicate through e-mail, customized online newsletters, or face-to-face meetings. Access to Duke Energy for all customer classes is available via the company's dedicated call centers and the corporate and subsidiary web sites.

VIII. Goal Attainment and Quantification

Duke Energy's success can be measured not only by its earnings, but also by other measures that are specific to its business segments. Duke Energy's management team has compiled metrics to assess the performance of each group.

Employees' incentive targets are based on both the corporate EPS targets and departmental goals.

The Businesses We're In

Duke Energy is a leading energy company focused on electric power and gas distribution operations, and other energy services in the Americas. The company is also a joint-venture partner in a U.S. real estate company.

Franchised Electric & Gas Service

Duke Energy's Franchised Electric & Gas operations provide safe, reliable and competitively priced electricity to customers in North Carolina, South Carolina, Indiana, Kentucky and Ohio.

Commercial Power

Duke Energy's Commercial Power business has approximately 8,100 megawatts of unregulated generation, primarily in the Midwest, including efficient natural gas and coal-fired plants.

Generation Services

Duke Energy Generation Services (DEGS) develops, owns and operates electric generation for large energy consumers, municipalities, utilities and industrial facilities. DEGS owns and/or operates more than 6,500 megawatts of power generation.

International

Duke Energy's International operations are located in the Central and South American countries of Argentina, Bolivia, Brazil, Ecuador, El Salvador, Guatemala, Mexico and Peru.

Real Estate

Crescent Resources LLC, a joint venture between Duke Energy, Morgan Stanley Real Estate Fund and the company's management, develops and manages real estate in 10 states across the southeastern and southwestern United States.

Telecommunications

Duke Energy offers telecommunications services in its Franchised Electric & Gas service areas.

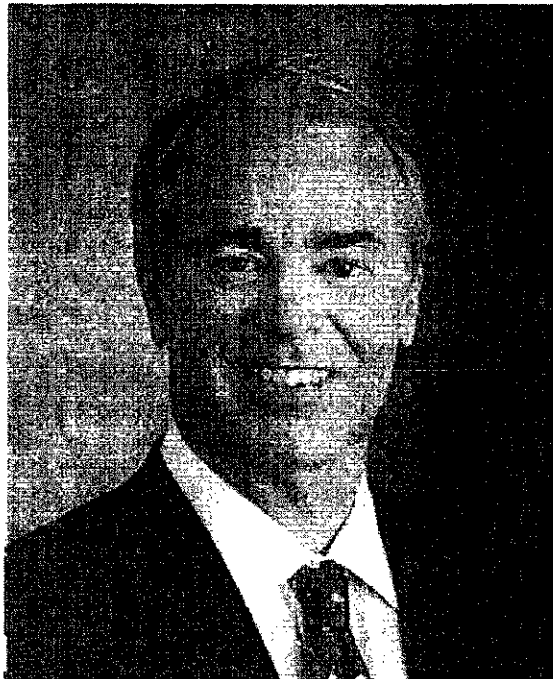


Duke Energy Code of Business Ethics



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A Message from Jim Rogers

Duke Energy Employees:

The Duke Energy Charter establishes our purpose, objectives, values and measures of success. One of our core values is integrity — ethically and honestly doing what we say we will do — both as individual employees and as a company.

Our Code of Business Ethics (CoBE) establishes standards of business conduct designed to help each of us conduct business ethically and honestly. A lot of careful thought and consideration went into producing it, consistent with our Charter and business goals.

Some sections may be more relevant to certain business areas than others. Regardless, all employees are responsible for being familiar with our CoBE so that you understand what you need to do when faced with an ethical dilemma.

You are encouraged to bring work-related concerns, including suspected violations, first to your supervisor. If you are uncomfortable in doing so, you are free to talk to another member of management, a human resources representative or someone in the ethics and compliance office. Additionally, the EthicsLine is a third-party resource you can use, and you can do so anonymously. The important thing is that you talk to someone, and this CoBE is your guide.

For former Cinergy employees, this CoBE should be used in conjunction with the Cinergy Working Environment Policy Manual (WEPM), which remains in effect until both the CoBE and WEPM are merged in the future.

Ethical behavior underpins our Charter's values and measures for success. I urge you to use this CoBE as a guide. By doing so, you will have taken an important step in helping our company achieve its business goals.

Jim Rogers
President and Chief Executive Officer

Introduction

About the Code

Duke Energy's Code of Business Ethics describes ethical risks for employees, provides guidance to help recognize and deal with ethical issues, and explains how to report unethical conduct and help foster a culture of integrity and accountability. This Code applies to Duke Energy, its subsidiaries and its affiliates. Contractors, suppliers and vendors are expected to support effective compliance programs within their own organizations. Some sections and topics may be more relevant to certain functions or departments than to others. However, since one instance of a person failing to act with integrity can damage the company's hard-earned reputation and compromise the public's trust, every Duke Energy employee is responsible for being familiar with the entire Code. The Code has been adopted by the company's board of directors and represents a commitment to promote an organizational culture that encourages ethical conduct and compliance with the law. A separate Code of Business Conduct and Ethics applies to Duke Energy's board of directors.

Duke Energy employees should be aware that:

- This Code cannot anticipate every possible situation or cover every topic in detail. If a situation is unclear, employees should ask for guidance before taking action.
- Most of the topics covered in this Code are explained in greater detail in a company policy.
- From time to time the company may establish training programs to address specific areas of risk.
- Reading this Code is not a substitute for completing training and complying with specific policies and procedures.
- This Code does not necessarily take into account all applicable legal requirements. More restrictive laws or requirements take precedence. Where applicable legal requirements conflict with the standards in this Code, employees should ask for guidance before taking any action.
- The existence and provisions of this Code do not by themselves create any additional contractual right to continued employment. However, to the extent a contractual right to continued employment is provided by applicable law, this Code is part of and is incorporated into any existing employment contract between Duke Energy and its employees.
- Duke Energy employees may be asked periodically to certify compliance with this Code.

This Code, revised in January 2007, supersedes all previous versions of Duke Energy's Code of Business Ethics.

How Our Values Relate to the Code and Our Policies and Procedures

Duke Energy's charter sets forth the values and behaviors that apply to a wide variety of situations, while this Code focuses on what to do when specific ethical issues arise. Put another way, the charter values point us in the right direction, and the Code guides our actions in specific situations.

When a particular standard of behavior does not provide enough detail, the company's policies and procedures can provide additional information. Policies support the standards in the Code, are broad and enduring in nature and define accountabilities that may be audited.

Procedures are based on specific business unit needs, while they align with and fully support enterprise policies. Business units are expected to set, manage and control policies and procedures for tasks that do not directly relate to an enterprise risk area.

Reporting Compliance Issues

Duke Energy employees have a responsibility to report violations of this Code, applicable laws or governmental regulations while performing work for the company. Employees are also expected to report any threat to human health, safety, the environment or the company's assets.

To report a violation:

- Talk to your supervisor or their manager, your human resources representative, or the ethics and compliance office.
- If you aren't comfortable with any of the reporting options above or if you feel more comfortable reporting anonymously, use the EthicsLine.

The Audit Committee of the board of directors reviews concerns regarding questionable accounting, internal financial controls (including internal accounting controls) and auditing matters reported to the ethics and compliance office, or the EthicsLine, which allows anonymous reporting.

The official Code of Business Ethics is located on the Portal.

Printed copies may not include the most current information.

The EthicsLine

The EthicsLine is a worldwide reporting system through which employees can:

- Anonymously report suspected unethical and criminal conduct, or environmental, health and safety concerns.
- Ask questions to resolve ethical dilemmas within the organization without fear of retribution.

You may discuss issues such as:

- Employee misconduct
- Harassment in the workplace
- Environmental, health or safety concerns
- Fraud
- Questionable accounting, internal controls or auditing matters
- Conflicts of interest
- Misuse of company assets
- Regulatory violations
- Any behavior you believe damages Duke Energy's reputation.

Should you choose to identify yourself, your identity will be kept confidential to the extent permissible by law and feasible to permit an investigation.

The service is available to you 24 hours a day, 7 days a week. You may make a toll-free call to the following numbers anytime, day or night:

United States/Canada	800-525-3783
Argentina	0800-666-1698
Brazil	0800-891-4140
El Salvador	800-6203
Peru	0800-52-417
Bolivia	800-10-0397

For countries not listed, follow standard international calling procedures to call the United States/Canada toll-free number.

You may also use www.dukeenergy-ethicsline.com to submit a report or inquiry via the Web.

The EthicsLine is staffed by an independent third party that Duke Energy has retained. When you contact the EthicsLine, you can provide your name or choose to remain anonymous.

You can expect to:

- Be asked to provide information regarding your questions or concerns.
- Be assigned a unique report number.
- Have Duke Energy initiate an investigation into the suspected violation.
- Have the opportunity to follow up with EthicsLine to find out the status or outcome of your report.

Additional Resources

For more information or to report a violation of the Code, you may e-mail Duke Energy's ethics and compliance office at ethicsofficer@duke-energy.com or contact the ethics and compliance office directly.

Retaliation is Prohibited

Duke Energy values clear and open communications, and respects the contributions of all employees.

Duke Energy will not retaliate against any employee who in good faith reports suspected unethical conduct, violations of laws, regulations, or company policies. Duke Energy will not terminate employment, demote, transfer to an undesirable assignment or otherwise discriminate against an employee for calling attention to suspected illegal or unethical acts, including providing information related to an investigation. However, Duke Energy reserves the right to discipline any employee who knowingly makes a false accusation or provides false information to the company or others.

Our Responsibilities as Duke Energy Employees

All Duke Energy employees have a responsibility to understand and follow this Code in their business dealings.

Duke Energy employees must:

- Follow the law, this Code and related policies. This responsibility cannot be delegated or assumed by the company or any supervisor.
- When unclear about a situation, stop and ask for guidance before taking action.
- Follow the reporting process if you become aware of a suspected violation. Use the EthicsLine if uncomfortable with other reporting options.
- Complete required training on the Code and periodically certify compliance with the Code.

Additional Leadership Responsibilities

Duke Energy employees in a leadership position (supervisors, managers and senior leaders) have additional responsibilities regarding this Code.

Duke Energy leaders must:

- Set the tone "at the top," by modeling exemplary ethical business conduct.
- Provide required training for employees.
- Answer employee questions about the Code and the company's values, policies and procedures.
- Promptly respond to employee reports of violations or requests for guidance.
- Foster an environment of clear and open communication where employees feel comfortable bringing issues forward.

Consequences of Violating the Standards in the Code

Failure to obey laws and regulations violates this Code and may expose both you and the company to criminal or civil prosecution. Any violation of this Code or Duke Energy ethics and compliance programs may result in corrective action up to and including employment termination. The company may seek civil remedies from an employee and refer criminal misconduct to law enforcement agencies.

Waivers of the Code

All employees are expected to follow the standards set forth in this Code. Any waiver from any part of the Code requires the approval of a group executive. For executive officers, a waiver requires the express approval of Duke Energy's board of directors and will be promptly disclosed to shareholders.

Ethics and Compliance Office

The role of the ethics and compliance office is to prevent and detect illegal or unethical conduct, support Duke Energy's business values and reinforce ethical behavior through the Code and related education and training.

Chief Ethics and Compliance Officer

Julie S. Janson

Ethics

Allen J. Stewart

Compliance

Tom J. Wiles

Ethics and Compliance Managers

Corporate

Sharon A. Brooks

U.S. Franchised Electric and Gas

Jackie J. Lynch

Commercial – U.S.

Jean A. Dieudonne

Commercial – International

Jackie H. Salinas

Accuracy of Books and Records and Information Reporting

Duke Energy demonstrates accountability in all accounting (including time reporting) and financial reporting practices.

All employees must accept responsibility for the accuracy of written records and public statements so that we can maintain the trust of our stakeholders.

To see how our values are put into practice, read Duke Energy's Code of Business Ethics online.

Duke Energy's internal controls over financial reporting are consistent with the application of generally accepted accounting principles (GAAP).

They help protect our financial accountability by:

- Assuring management's authorization of financial transactions
- Ensuring that financial transactions are properly recorded and posted
- Satisfying government and other regulatory requirements
- Providing reasonable assurance that we are in compliance with GAAP and applicable tax laws.

Responsibility in Reporting

Duke Energy's results of operations and financial condition are reported using GAAP and in compliance with applicable laws and regulations. Duke Energy prides itself on the transparency of its financial and non-financial reporting. To this end, we provide independent analysis and reporting of, among other things:

- Earnings for common stock shareholders
- Non-financial data (examples include data related to environmental responsibility, key strategic initiatives and community involvement)
- Current and future opportunities, threats, strategic plans and critical success factors
- Revenue recognition
- Market risks associated with commodity prices, credit exposure and interest rates
- Commitment to our company's values.

It is critical to Duke Energy's reputation that information provided to management and the public is accurate, fair, complete, objective, understandable, timely and relevant. This applies to both financial and non-financial data, and includes information in public communications as well as in documents filed with regulators. Misstating information can carry serious criminal and civil fines and penalties for Duke Energy and personal criminal liability for employees.

Duke Energy applies the highest ethical standards in its financial and non-financial reporting and follows all applicable Securities and Exchange Commission (SEC), New York Stock Exchange, Sarbanes-Oxley, various regulatory commissions and other standards and rules regarding financial and non-financial reporting.

Employees should report immediately if they are pressured, threatened or aware of instances such as:

- Use of questionable accounting techniques
- Management of earnings
- Manipulation of results to meet targets for incentive plans.

Our Responsibilities

Duke Energy employees are expected to be truthful and accurate in their accounting and time reporting practices. Financial professionals are expected to stay up-to-date with all financial reporting regulations related to their job functions, and to report financial statement items in a manner consistent with applicable laws and GAAP. All Duke Energy employees involved in public reporting or communications are expected to produce disclosures that are full, fair, accurate, timely and understandable.

Duke Energy employees must:

- Maintain books, accounts and records according to GAAP, using sufficient detail to reflect Duke Energy transactions accurately and fairly
- Record transactions in a timely manner
- Report if financial statements are believed to be misstated or manipulated.

Employees must not:

- Manipulate financial accounts, records or reports
- Maintain off-the-book accounts to facilitate questionable or illegal payments
- Take any action, or cause anyone else to take any action, to influence, coerce, manipulate or mislead auditors for the purpose of making financial statements misleading.

Affiliate Rules

Duke Energy's value is maximized by the complementary capabilities of its affiliates.

Duke Energy is subject to regulation by various energy regulatory commissions, including federal, certain state, and provincial commissions. These commissions have specific codes and standards of conduct (Affiliate Rules) that address matters such as undue discrimination and preferential treatment between regulated companies and their affiliates.

The purpose of these Affiliate Rules is to prevent the regulated businesses from subsidizing the activities of their affiliates, and to prevent the affiliates from gaining an unfair advantage because of their relationship with the regulated businesses.

Generally the Affiliate Rules include:

- Physical and organizational separation requirements between the regulated business units and certain affiliates
- Restrictions on sharing directors, officers, and employees
- Prohibitions on the sharing of transportation or market information
- Restrictions on the disclosure of customer information
- Requirements for equal access to regulated service and prohibition against undue discrimination in providing regulated service
- Restrictions on transactions between regulated business units and affiliates, such as transfer pricing provisions, prohibitions on certain financial transactions, and regulatory approval and reporting requirements
- Terms for sharing certain services and resources
- Restrictions on certain financial transactions between regulated business units and affiliates
- Restrictions on making referrals to or endorsements of affiliates.

Compliance with both the letter and spirit of the Affiliate Rules demonstrates integrity.

Our Responsibilities

Duke Energy employees involved in the following activities for or with a regulated business unit are expected to understand and comply with the Affiliate Rules.

- Transferring goods or services
- Sharing customer, market or transportation information
- Providing regulated/tariffed services to an affiliate
- Marketing activities, including referrals or endorsements
- Sharing employees, services, or resources.

Approval of Business Transactions, Contract Authorization, Delegation of Authority and Purchasing Controls

Duke Energy's contractual agreements govern our business

relationships and ensure that

Duke Energy's intellectual property, business agreements and confidential information are protected.

Because the laws governing contracts are numerous and complicated, policies and procedures are in place to ensure that any contract entered into on behalf of Duke Energy has the appropriate level of review and approval.

Our Responsibilities

Duke Energy employees who enter into contracts on Duke Energy's behalf must have proper authorization, including legal review where applicable, prior to the execution of any such contract.

Duke Energy employees must:

- Know what types of contracts we are authorized to execute on behalf of the company, if any.
- Comply with Duke Energy policies and procedures for entering into contracts.
- Where required by policy, make sure that a contract agent reviews and approves any contract.

Employees must not:

- Enter into any contract on behalf of Duke Energy without proper review and authorization.

Brand Management and Intellectual Property

Duke Energy's brand identity and intellectual property are among its most valuable assets. The loss of or injury to such assets could have a serious financial impact on the company. Violation of the intellectual property rights of others breaches our value of integrity, and may subject both the employee and Duke Energy to substantial liability, including criminal penalties.

The official Code of Business Ethics is located on the Portal.

Printed copies may not include the most current information.

Employees demonstrate accountability by consistently and appropriately protecting the intellectual property rights of Duke Energy and honoring the intellectual property rights of third parties (e.g., copyrights, trademarks, service marks and patents). Employees must also be accurate and truthful in communicating information about Duke Energy products and services. This practice protects the Duke Energy brand and shows respect for our customers and shareholders.

Our Responsibilities

Duke Energy employees are expected to protect the intellectual property rights of Duke Energy, including the Duke Energy name and logo, taglines, inventions, processes and innovations and to respect those of all third parties.

Duke Energy employees must:

- Follow the Brand Guidelines when creating materials using the Duke Energy name, mark or logo.
- Understand that any intellectual property created by a Duke Energy employee in the performance of his or her job responsibilities belongs to Duke Energy and that innovations must be shared with the company to ensure adequate protection.
- Report any unauthorized use of Duke Energy's copyrights, patents, service marks or trademarks.
- Respect all intellectual property that Duke Energy has received from third parties under confidentiality or license agreements.
- Obtain permission to use a third party's trademark, service mark or other intellectual property.
- Use inventions patented by third parties only within the terms of a license agreement.
- Be accurate and truthful in communication of information about Duke Energy products and services.
- Adhere to established brand standards when producing any materials, including advertising, publications, on-line materials and other items using the Duke Energy or subsidiary companies' names or logos.

Employees must not:

- Make copies of copyright-protected materials until Duke Energy has obtained permission from the copyright holder or determined that limited copying is legally permitted.
- Copy or distribute software or related documentation without first ensuring that it is permitted by the licensing agreement.
- Use company letterhead, company e-mail or reference to our business address or title when expressing a personal view in a public forum.

Q & A

Q: What is intellectual property?

A: "Intellectual property" denotes the legal rights that may be secured in virtually any creation of the human mind or intellect (for example, an idea, invention, machine, device, process, program, software, drawings, blueprints, name, logo or slogan) or that may be legally protectible (such as a patent, copyright, trademark, service mark, and/or trade secret).

Q: What types of protections are available for intellectual property?

A: The type of protection available depends on the type of intellectual property involved.

- **Copyrights** protect original and tangible works of authorship such as books, brochures, reports, proposals, advertisements and other literary works, as well as works of art, drawings, photographs, videos, maps, charts, musical works, audiotapes and software. A copyright prohibits unauthorized copying or downloading of these works.
- **Patents** protect new and non-obvious inventions, such as machines, apparatus, devices, manufacturing components, chemical compositions, processes, methods and ornamental designs. A patent permits inventors and patent holders to exclude others from making, using or selling the same invention.
- **Trademarks and service marks** are words, phrases, symbols and designs which identify and distinguish the source of goods or services from those of others. Registration of a trademark or service mark restricts its use by others. In some circumstances, a trademark or service mark may be protected from such use without registration.
- **Trade secrets** are any information used by a business such as formulas, processes, devices and customer lists that have economic value because they are not generally known or easily discovered by observation or examination, and for which reasonable efforts have been made to maintain secrecy.

Bribery, Kickbacks and Other Improper Payments

Duke Energy maintains the highest level of integrity when dealing with government officials and members of the private sector. Giving anything of value to such individuals may raise questions about Duke Energy's integrity. We demonstrate accountability by refusing to give gifts or make payments that are intended to influence, or could appear to influence, business decisions.

Bribery laws prohibit companies from directly or indirectly promising, offering or making payment of money or anything of value to anyone (including a government official, an agent or employee of a political party, labor organization or business entity, or a political candidate) with the intent to induce favorable business treatment or to improperly affect business or government decisions.

Decisions about gift giving must be carefully evaluated. In general, Duke Energy does not consider ordinary and reasonable business entertainment, or gifts of nominal value that are customary and legal in the local market, to be improper. We recognize that in certain cultures, gifts of a more substantial nature may be customary and expected.

However, we also recognize that the giving of improper gifts or payments can undermine customer relationships, damage our reputation and result in legal penalties. Employees must refrain from giving gifts or making payments that are intended to influence, or could appear to influence, business decisions.

Note: These laws and regulations are complex and can vary from country to country, and even within a country (e.g., local versus national officials) and from state to state. This Code does not necessarily take into account all local legal requirements and you should be aware that more restrictive local laws take precedence over this Code.

Our Responsibilities

Duke Energy employees are expected to be extremely careful when giving anything of value to third parties to avoid giving the impression that we are trying to influence another person's business decision.

Duke Energy employees must:

- Ensure that business entertainment provided to third parties is reasonable and customary.
- Offer only gifts that are considered customary, reasonable, legal and of nominal value in the local market.

- Obtain prior approval from management before making a decision about whether or not to offer a gift that is of more than nominal value in the local market.
- Comply with local laws and regulations governing gifts and meals given to public officials and employees of governmental agencies.
- Understand that it is generally not acceptable to give gifts or gratuities to any federal, state or local government employees.

Employees must not:

- Give gifts that are intended to influence, or appear to influence, business decisions.
- Agree to provide any payment or other kickback in return for favorable treatment for either the employee or Duke Energy.

Q & A

Q: How do I know whether a gift or payment is improper or not?

A: A gift or payment is improper if it is used to influence, or appears to influence, a business decision. If you have questions as to whether a gift or payment could be considered improper, seek guidance before taking any action.

Business Courtesies

The giving and receiving of gifts or entertainment can be important and appropriate ways of building and maintaining proper business relationships. However, in order to maintain trust and integrity with our business partners, it is important to be prudent when accepting business courtesies.

To see how our values are put into practice, read Duke Energy's Code of Business Ethics online.

Our Responsibilities

Duke Energy employees are expected to act with integrity when deciding whether to accept a business courtesy (i.e., anything of value for which the recipient does not pay fair market value, including gifts, services and entertainment).

Employees who are buyers, who influence buying, or who are involved in procurement transactions in any way (e.g., determining specifications, evaluating bids, choosing vendors or suppliers) must be especially careful when deciding whether to accept a business courtesy.

Duke Energy employees must:

- Accept only personal gifts that would be considered common business courtesies and for which we would reasonably expect to give something similar in return in the normal course of business.
- Maintain a written list of business courtesies received.
- Obtain written supervisory approval prior to accepting a business courtesy of significant or unique value.
- Report gifts received from representatives of foreign countries.

Employees must not:

- Accept or request any business courtesy that might be intended to influence, or appears to influence, a business decision.

Confidential, Proprietary and Personal Information

Duke Energy uses confidential, proprietary and personal information ("sensitive information") in the course of doing business. This includes the company's sensitive information, as well as that of third parties.

Duke Energy complies with laws protecting sensitive information from unlawful disclosure. Failure to comply with these laws and standards can cause irreparable damage to the Duke Energy brand and can result in legal penalties, adverse regulatory actions and restrictions. It can also prohibit Duke Energy from conducting business within certain countries.

Our Responsibilities

Duke Energy employees are expected to protect Duke Energy and third-party sensitive information from unlawful disclosure, and to ensure that such information is handled properly throughout the organization.

Duke Energy employees must:

- Use sensitive information for business purposes only.
- Use business unit procedures for labeling and handling sensitive information.
- Share sensitive information only with appropriate parties both within and outside of Duke Energy.
- Use health information solely for the administration of health plans.
- Make sure that use of sensitive information is consistent with our policies, affiliate rules, contractual obligations and applicable laws.

Employees must not:

- Disclose sensitive information to individuals (including other employees) who do not have a business need to know the information.
- Help a third party gain access to sensitive information without authorization.

Q & A

Q: What is confidential or proprietary information?

A: Confidential or proprietary information is any information that provides a third party with some kind of business advantage and is not generally known to the public. This includes, but is not limited to:

- Inventions
- Operational information
- Strategic information about current and/or future business plans
- Supplier's pricing and specifications
- Research
- Records, such as financial, customer or personnel records
- Information designated as confidential or proprietary.

Q: What type of information would be considered personal information?

A: Personal information includes, but is not limited to:

- a. health information,
- b. social security number or national ID (or equivalent),
- c. consumer report information,
- d. a natural person's first name or first initial and last name in combination with
 - social security or employer taxpayer ID numbers
 - drivers license, state identification card, or passport numbers
 - banking information
 - credit card numbers
 - PIN codes
 - electronic ID numbers
 - private electronic mail names or addresses
 - private phone number
 - internet account numbers
 - identification names
 - digital signatures
 - any information that can be used to access a person's financial resources
 - biometric data
 - fingerprints
 - passwords
 - parent's legal surname prior to marriage, or
- e. any other information protected by Duke Energy's Policies, Standards, Procedures or applicable laws.

Conflicts of Interest

Duke Energy depends on its employees to act in Duke Energy's best interests. Sometimes, however, there are situations where an employee might be tempted to act otherwise or find oneself in a situation where a conflict of interest may arise.

A conflict of interest exists any time an employee faces a choice between what is in his or her personal interest (financial or otherwise) and the interests of Duke Energy. When a conflict of interest arises, others may question our integrity. Therefore, employees are accountable for acting in Duke Energy's best interests and carefully avoiding even the appearance of impropriety. If you find yourself in a position where your objectivity may be questioned because of individual interests or family or personal relationships, notify your supervisor immediately.

Conflicts of interest may arise when:

- You or someone with a close relationship to you has an interest in an entity with which Duke Energy does business.
- You or someone with a close relationship to you receives improper personal benefits as a result of your position at Duke Energy.
- Other employment (including self-employment) or serving as an officer, director, partner or consultant of another organization interferes with your ability to act in the best interests of Duke Energy, requires you to use or disclose sensitive information about Duke Energy, is conducted during or conflicts with an employee's normal work times, or creates the appearance of impropriety.
- You or someone with a close relationship to you receives a loan or other extension of credit or credit support (such as a guaranty) from Duke Energy. Duke Energy is prohibited by law from extending or arranging for the extension of personal loans to executive officers.

Our Responsibilities

Duke Energy employees owe a duty of loyalty to the company and are expected to act in Duke Energy's best interests and avoid conflicts of interest and/or the appearance of a conflict of interest.

Duke Energy employees must:

- Be able to identify potential conflicts of interest when they arise.
- Notify supervision immediately when we are in a position where our objectivity may be questioned.
- Make certain that any second jobs, financial interests, or management interests in another entity do not cause a conflict of interest or have a negative impact on the confidence the public has in Duke Energy.
- Get approval from a group executive when an entity in which you or a family member owns or acquires an interest that is greater than 5 percent seeks to do business with Duke Energy, and:
 - The entity makes sales of goods or services to Duke Energy exceeding \$1,000 annually, or
 - You help make Duke Energy purchasing decisions for those goods or services, or

- You have a role in making sure the entity gets paid for the goods and services it provides.

- Get approval from a group executive to:

- Perform work or services for any person or organization that competes with or seeks to do business with Duke Energy
- Take a position on the board of directors of a for-profit entity that has regular business dealings with Duke Energy. Prior to taking any such board position, employees are required to consult with their supervisor before seeking approval from a group executive who shall notify the General Counsel.

- Always keep Duke Energy's interests uppermost even if the above criteria do not apply to a situation.

Employees must not:

- Take for personal gain an opportunity available to Duke Energy that is discovered through the use of company assets, information or position.
- Interface with Duke Energy's contractors, vendors, suppliers, customers or others in a manner which creates even the appearance of a conflict of interest. When in doubt, check with your supervisor.

Q & A

Q: I've been asked to sit on the board of directors of a non-profit organization. Do I need my supervisor's approval to do this?

A: No, but you should still make your supervisor aware of the situation. Also, you should excuse yourself from any discussions or votes on any matter involving Duke Energy, to avoid the appearance of improper behavior or a conflict of interest.

Q: I am considering a temporary second job for extra money during the holiday season. Is this okay?

A: Yes, but remember your first responsibility is to our company. You must be able to fulfill all your responsibilities including overtime if that is a requirement. The job must not be with a competitor or vendor/supplier.

Q: An employee's spouse owns a company which would like to bid on a contract exceeding \$1,000 annually. The employee discloses the ownership to their supervisor. Is this a conflict of interest?

A: No. The employee was honest about their relationship and removed themselves from the purchasing process. If the company owned by the employee's spouse is chosen as a vendor, the employee cannot be involved in supervising the work or processing payments for the work.

Environment, Health and Safety

Protecting and responsibly managing natural resources demonstrates stewardship and is critical to the quality of life in the communities we serve, the environment and Duke Energy's long-term business success. The health and safety of co-workers, contractors, customers and communities is the responsibility of all Duke Energy employees.

To see how our values are put into practice, read Duke Energy's Code of Business Ethics online.

Duke Energy accepts responsibility in these areas by systematically managing risks, setting goals, measuring and reporting performance, and conducting assessments to evaluate and improve:

- Compliance with environmental, health and safety laws, regulations and other requirements such as permits.
- Systematic implementation of Duke Energy environmental, health and safety (EHS) policies and standards.

Our Responsibilities

Duke Energy employees are expected to abide by all company policies and procedures in the areas of environment, health and safety.

Duke Energy employees must:

- Comply with all applicable environmental, health and safety laws, regulations and other requirements, such as those dealing with:
 - Employee and public safety and health
 - Contractor EHS management
 - Work conditions
 - Pollution control and management
 - Waste management
 - Infrastructure safety
- Follow work instructions and procedures on environmental, health and safety laws, regulations and risk management, and apply training to protect others, the environment and yourself.
- Promptly report all environmental, health and safety incidents, including significant near misses.
- Report to work fit to perform our duties and be free of the effects of alcohol or drugs at work.
- Demonstrate a personal commitment to continuous safety improvement and look out for the safety of others.
- Understand and incorporate our EHS responsibilities into daily work activities.

Employees must not:

- Threaten or injure other people.
- Handle a weapon in any manner while on Duke Energy premises or while engaged in Duke Energy business, unless authorized to do so.
- Use, possess, sell or transfer illegal drugs, illegal narcotics or alcohol on the job.

Q & A

Q: How do I prepare for a workplace emergency?

A: A workplace emergency may be an injury accident, a severe illness, a chemical spill, a fire, flood or storm, an assault or other incident.

- Find out who to contact to get help in the event of an emergency. Emergency numbers should be posted at each telephone. Local personnel may be appointed and trained to respond to emergencies.
- Know the address of your work location in case you have to call for emergency help.
- Know the location of emergency equipment including fire extinguishers, break-glass alarms, first aid kits, safety showers, eye wash stations, chemical spill control materials and other equipment.
- Know the evacuation route from your work area. Be aware of at least two exits and know where you are supposed to assemble with co-workers outside the building.

Equal Employment Opportunity

Duke Energy seeks and values diversity. The dignity of each person is respected, and everyone's contributions are recognized. We expect Duke Energy employees to act with mutual respect and cooperation toward one another. We do not tolerate discrimination in the workplace.

We comply with laws concerning discrimination and equal opportunity that specifically prohibit discrimination on the basis of certain differences. We will recruit, select, train and compensate based on merit, experience and other work-related criteria.

Our Responsibilities

Duke Energy employees are expected to treat others with respect on the job and comply with equal employment opportunity laws, including those related to discrimination and harassment.

Duke Energy employees must not:

- Use any differences protected by law as a factor in hiring, firing or promotion decisions.
- Use any differences protected by law when determining terms or conditions of employment, such as work assignments, employee development opportunities, vacation or overtime.
- Retaliate against a person who makes a complaint of discrimination in good faith; reports suspected unethical conduct, violations of laws, regulations, or company policies; or participates in an investigation.

Q & A

Q: What are the differences that are protected by law or Duke Energy policy?

A: Differences protected by law or Duke Energy policy include:

- Race
- Gender
- Religion
- Color
- National origin
- Ethnicity
- Citizenship
- Age
- Disability
- Sexual orientation
- Veteran status
- Marital status

Q: We posted a job for an entry level position expecting to hire a recent graduate and were surprised when several older workers applied. Is it okay to hire a younger person, the way we planned?

A: It is against the law to discriminate on the basis of an individual's age. Interview all the qualified candidates, and hire the best person for the job, regardless of their age. There must be a valid reason, unrelated to age, for all employment decisions.

Fair Competition: Complying With Antitrust Laws

Duke Energy succeeds in the marketplace by offering competitively priced, quality products and services. As a company, we support full and fair competition by complying with antitrust laws prohibiting activities that reduce competition and restrict trade.

Our Responsibilities

All Duke Energy employees must deal fairly with the company's customers, suppliers and competitors. Employees are expected to act with integrity by maintaining Duke Energy's independent judgment in the pricing, marketing, purchasing and selling of all products and services.

Duke Energy employees must:

- Understand how fair competition laws apply to us and our business, and learn how to avoid engaging in potentially unlawful behavior.
- Leave any meeting or informal gathering immediately and report any discussions with competitors that could be considered anti-competitive.

Employees must not:

- Improperly attempt to prevent an entity from competing with Duke Energy or from entering the markets in which Duke Energy participates.
- Suggest to suppliers that our purchasing decisions depend on their use of Duke Energy's goods or services, or that failing to do business with a Duke Energy subsidiary or affiliate could jeopardize business with another Duke Energy entity.
- Make inaccurate or misleading statements about competitors, suppliers, customers or their offerings.

Q & A

Q: What types of behavior could be considered anti-competitive and a violation of antitrust laws?

A: The following behavior could be considered anti-competitive and a violation of antitrust laws:

- Discussions or agreements with a competitor regarding pricing, territories, market share or intent to bid (or not bid) for particular business.
- Providing inconsistent information about a request for quotation/proposal to competing bidders.
- Entering into an exclusive dealing arrangement or understanding in which you agree to work only with certain suppliers or distributors in a particular market where Duke Energy has market power.
- Taking advantage of market power to eliminate or threaten a competitor or potential competitor in that or another market.
- Suggesting that a product or commodity must be resold at or within a particular price or range of prices.
- Participating in actions by any trade association or other industry group regarding membership restrictions, sharing information (including benchmarking) or desired governmental actions. Participating in such actions could be anti-competitive and should be performed under the proper guidelines.

Fraud

Fraud, or the potential of fraud, compromises the integrity of our financial reporting system and the safety of our assets, both physical and intellectual.

Fraud is the act of intentionally misrepresenting or concealing facts that cause another party to act or not act in reliance on the misrepresentation or concealment. Fraud may be committed by one person or by two or more (collusion) and may be committed by internal and/or external parties (vendors, customers, etc.).

Our Responsibilities

All employees must understand what constitutes fraud and refrain from engaging in fraudulent activity including collusive fraud which bypasses existing controls. Moreover, employees are responsible for reporting all instances of potential fraud.

Duke Energy employees must:

- Understand what constitutes fraud and refrain from engaging in fraudulent activity.
- Report all instances of potential fraud.

Employees must not:

- Engage in fraudulent activity including collusive fraud which bypasses existing controls.

Q & A

Q: What are some examples of fraud?

A: Some examples of fraud may include:

- Fraudulent financial reporting
 - Intentional reporting of false expense or revenue data which improperly states amounts reported on publicly filed financial statements.
 - Intentional misstatement of price data reported for price index purposes.
 - Intentional misapplication of accounting principles relating to amounts, classification, manner of presentation, or disclosure.
 - Intentional misstatement of accounting estimates and judgments.

- Misappropriation of assets

- Submitting an inaccurate expense report for personal expenses.
- Excessive personal use of company supplies or assets.
- Fraudulent financial reporting (see above) for purposes of increasing personal gain through incentive measure calculations.
- Improper time reporting with intent to defraud.

- Corruption and other fraud related malfeasance

- Overriding existing controls, rendering the controls ineffective.
- Falsifying personal credentials.
- Tampering with documents.

Q: What are certain examples of fraud in the energy market?

A: Market Manipulation: Any action, transaction, or conspiracy for the purpose of impairing, obstructing or defeating a well-functioning market, including such actions as:

- Wash trades: Any pair of offsetting trades entered into simultaneously or by pre-arrangement with the same counterparty, for the same product, involving no economic risk and no net change in beneficial ownership.
- Collusion with another party to manipulate market prices, market conditions or market rules.
- Earnings Manipulation: Transactions made in violation of accounting rules (GAAP in U.S.) in order to beneficially represent the firm's financial performance, usually through the artificial inflation of revenues or deflation of expenses.
- False Reporting: Knowingly submitting false or misleading information, or omitting material information, to Index Price Publishers or governing regulators.

The official Code of Business Ethics is located on the Portal.

Printed copies may not include the most current information.

Harassment in the Workplace

Duke Energy is committed to maintaining a positive work environment where all employees are treated with dignity and respect. Harassment of any kind in the workplace is not tolerated.

We respect the dignity of every person and honor our differences. It is important that employees speak up if they witness harassment. Harassment generally means offensive conduct that is severe and pervasive and singles out an employee to the detriment or objection of that employee because of a difference protected by law or by Duke Energy policy such as race, gender, sexual orientation, religion, national origin, ethnicity, citizenship, age, marital status, disability or veteran status. Harassment covers a wide range of conduct, from direct requests of a sexual nature to situations where offensive behavior (e.g., insults, offensive jokes or slurs, offensive material in the workplace) results in a hostile work environment.

Our Responsibilities

Duke Energy employees are expected to do their part to ensure a safe and secure workplace in which employees can perform their duties without fear of harassment.

Duke Energy employees must:

- Treat all people with respect.
- Report all incidents of harassment.

Employees must not:

- Harass anyone.

Reports of harassment will be promptly and thoroughly investigated in a confidential manner. Duke Energy will take immediate and appropriate action if harassment is determined to have occurred.

Q & A

Q: What is considered offensive material in the workplace?

A: Possession of any text, communications, software, images, sounds, data or other information that facilitates improper conduct (such as involvement with illegal drugs, illegal materials or illegal weapons) or that is threatening, unlawful, abusive, harassing, defamatory, libelous, deceptive, fraudulent or invasive of another's privacy, or that contains explicit or graphic descriptions or accounts of sexual acts.

Information and Information Resources

Duke Energy's information systems support internal and external business activities. Because these resources connect us with the outside world, there is a risk of attack or exploitation. Duke Energy is committed to protecting these resources from such intrusions.

To see how our values are put into practice, read Duke Energy's Code of Business Ethics online.

All Duke Energy employees are responsible for information security. We must be aware of information security processes and policies, and take steps to reduce the risk of security breaches.

Our Responsibilities

Duke Energy expects employees to manage and use information and information systems appropriately.

Duke Energy employees must:

- Follow all policies and procedures related to the protection of information and information resources, including network access and appropriate use of the Internet and e-mail.
- Report any unusual activities to a local Computer Incident Response Team representative as quickly as possible to facilitate a coordinated response.

Employees must not:

- Let personal use of information system technologies interfere with Duke Energy business activities or incur unnecessary cost.
- Let business or non-business use of information and information resources violate Duke Energy policies or legal requirements.

Note that Duke Energy randomly monitors information technologies it provides, including the Internet and e-mail, for misuse or abuse, except where prohibited by law.

Insider Trading

Duke Energy's success in the marketplace requires that we maintain the trust and confidence of the investment community. Duke Energy employees must act with integrity when trading public securities, adhering to all applicable laws.

Insider trading may occur when you:

- Know material non-public information about Duke Energy or any company with whom Duke Energy has a business relationship, and
- Buy, sell, short-sell or otherwise trade a company's securities, such as stocks, bonds or options while in possession of that information or tell others about it before it is made public.

"Material non-public information" is information that would affect a reasonable investor's decision on whether or not to invest in a company's securities.

Examples include, but are not limited to:

- Plans to issue securities
- Sharp changes in earnings patterns
- Changes in dividend rates
- Changes in key management personnel
- Mergers and acquisitions
- Important regulatory actions affecting the company.

Circumstances suggesting the possibility of insider trading may result in an investigation by a stock exchange or by governmental authorities. Such an investigation could damage Duke Energy's brand and reputation and result in liabilities or penalties, including criminal charges and/or fines against the employee.

Our Responsibilities

Duke Energy employees are expected to be very careful when trading securities, even the Duke Energy securities in our retirement accounts, to make sure that trades are not made while in possession of material non-public information.

Duke Energy employees must not:

- Trade the securities of Duke Energy while in possession of material non-public information about Duke Energy or any affiliate or subsidiary.
- Trade the securities of Duke Energy or those of its suppliers, customers or other companies with whom Duke Energy has a business relationship while in possession of material non-public information relating to them.

- Trade the securities of Duke Energy (or of an applicable outside company) until the third business day after any material non-public information of which we are aware has been made available to the public. This includes transfers into and out of the Duke Energy stock fund in our savings plans, and changes in patterns involving purchases of Duke Energy securities within the plans. (Regularly scheduled monthly purchases of Duke Energy securities within plans are not prohibited.)
- Give material non-public information to anyone not authorized to have that information, including other Duke Energy employees. If that information is subsequently used by the person to trade on securities, it is considered illegal "tipping" and is a violation of insider trading laws.

Even a casual remark to a friend or family member may find its way to a broker and eventually to the entire financial community, thereby requiring the company to make a premature or unplanned public announcement.

Q & A

Q: I am a financial professional and often talk about business with my spouse. That's not a problem, is it? I only occasionally reveal non-public information and my spouse knows not to tell anyone else.

A: This is a problem that could be costly for both you and the company. If your spouse were ever to use material non-public information given by you to buy or sell securities, both of you could be prosecuted for illegal insider trading. You should not give any non-public information to your spouse or to others.

International Ethics and Compliance

Duke Energy maintains the highest standards of integrity when conducting business in the United States and abroad. We build relationships based on trust and respect with our customers, suppliers and community stakeholders.

The official Code of Business Ethics is located on the Portal.

Printed copies may not include the most current information.

Duke Energy's success in global business transactions depends on our compliance with country-specific constraints and conditions, and sensitivity to local customs. The laws, regulations and conventions governing our international business relationships vary from country to country. It is Duke Energy's policy to comply not only with the letter of these laws but also with their spirit. Duke Energy is also responsible for following certain U.S. laws when doing business outside of the United States. Since violations can result in substantial fines, imprisonment and severe restrictions on the company's ability to do business, it is essential that Duke Energy employees follow them. If local law conflicts with applicable U.S. law, or if in doubt for any reason, ask for guidance before taking any action.

Our Responsibilities

Duke Energy employees who conduct business outside of the United States are expected to be familiar with the laws and regulations of each country in which they conduct business, as well as the following laws and regulations:

- The anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) and the anti-bribery legislation of the Organization for Economic Cooperation and Development (OECD) Convention
- U.S. anti-boycott laws
- U.S. Treasury embargo sanctions
- U.S. export control restrictions.

Duke Energy employees must:

- Report any FCPA and OECD Convention concerns.
- Seek advice in advance from legal counsel regarding whether a payment is legal and legitimate.
- Record all payments and transactions accurately and fairly.
- Report all requests for boycott support or boycott-related information.
- Obtain technical and legal guidance about export control restrictions when exporting sensitive goods or technology.
- Seek advice regarding any sensitive political issues in countries where Duke Energy is doing or considering doing business.
- Get the training needed to understand laws and regulations governing international transactions.

Employees must not:

- Make payments or give business courtesies directly or indirectly (such as payments to agents, sales

representatives or other third parties) if there is reason to believe they will be used illegally. This includes corporate and personal funds.

- Violate anti-boycott laws, governmental embargoes or export control restrictions or prohibitions.

Related Information

The following are summaries of the key U.S. laws and regulations governing international business. Because most are based on U.S. foreign policy and national security goals, they are subject to change. It is your responsibility to stay updated on changes in these laws.

FCPA and the OECD Convention Legislation

The FCPA and OECD Convention legislation make it a crime to promise, offer or give anything of value to a government official or a political party or candidate in order to obtain or retain business or gain any improper advantage. The FCPA covers all countries in which Duke Energy currently has operations, and the laws implementing the OECD Convention have been ratified by many of those countries.

Anti-boycott Laws

Anti-boycott laws make it illegal to cooperate in any boycotts between foreign countries if the boycotts are not sanctioned by U.S. law.

Treasury Embargo Sanctions

The Treasury Department's Office of Foreign Assets Control prohibits U.S. companies and their foreign subsidiaries from doing business with certain countries, agencies and individuals. Regulations vary depending on the country and the type of transaction.

Export Control Restrictions

To prevent sensitive goods, technology and software from falling into the wrong hands, exports of items sensitive to certain countries and individuals may be restricted or prohibited. These restrictions and prohibitions may also apply to transfers between Duke Energy and its foreign subsidiaries.

Laws, Rules and Regulations

Duke Energy and its business units are subject to various external laws, rules and regulations.

Violations of these rules expose Duke Energy and its employees to potential monetary penalties, loss of the ability to execute in the marketplace, reputational damage, loss of shareholder value, and civil and criminal charges.

Our Responsibilities

Duke Energy employees are required to comply with the letter and intent of all applicable laws, rules and regulations, and to act with integrity and in a principled and ethical manner.

Duke Energy employees must:

- Be aware of the laws, rules and regulations that affect your daily job responsibilities and understand how they apply to your work.
- Receive training on applicable laws, rules and regulations.
- Ask questions and gain clarification on the impact of applicable rules prior to acting.
- Communicate any ethics and compliance concerns to your supervisor, or their manager, your human resources representative, or the ethics and compliance office. If you desire anonymity, contact the Ethicsline at 1-800-525-3783 or www.dukeenergy-ethicsline.com.

Additional leadership responsibilities:

- Research questions and issues on applicable laws and regulations and provide guidance to employees.
- Educate employees on the meaning of the applicable laws and regulations and their effect on work activities.
- Monitor work activities for on-going compliance.
- Report any potential acts of non-compliance.
- Review the organization's compliance risk and the effectiveness of procedures in place to mitigate that risk.
- Provide the proper incentives to ensure on-going compliance.

Media and Public Releases of Information

Duke Energy employs professionals who are trained and qualified to release information to the public.

Unauthorized and inappropriate releases of information to the public can result in violation of SEC full disclosure laws, stakeholder confusion, and damage to Duke Energy's competitive position, brand, and reputation. Only trained and authorized corporate or business unit spokespersons should provide information to the media about Duke Energy.

There are also very specific rules regarding the reporting of information to government agencies or elected officials. Only trained and qualified professionals should handle requests for information from public agencies or individuals. However, all employees are expected to cooperate fully and truthfully with regulatory and governmental investigations and proceedings, and not obstruct other employees from doing so.

Additionally, employees planning to provide information about Duke Energy to public audiences through speeches, presentations, interviews, panel discussions, articles, papers, surveys and the like should obtain prior management approval and notify communications staff.

Our Responsibilities

Duke Energy employees must:

- Forward requests for information to the appropriate department below, if communicating outside of Duke Energy is not part of your assigned responsibilities.
- Inform your supervisor immediately about any request from a government agency or individual that is outside the scope of your routine job responsibilities.
- Report any violations of law or this Code that may warrant disclosure to appropriate government authorities.
- If your personal cooperation has been requested (such as by subpoena), cooperate fully and truthfully with regulatory and governmental investigations. Failure to cooperate will result in corrective action up to and including employment termination.

Duke Energy employees planning to provide information about Duke Energy to public audiences through speeches, presentations, interviews, panel discussions, articles, papers, surveys and the like must:

- Get management approval before proceeding with public communications.
- Provide adequate advance notice to the appropriate communications staff, who will advise on the opportunity. Included are situations where employees are speaking on behalf of an industry task-force or committee.
- Refrain from offering opinions or answering questions beyond your area of expertise.

Source	Refer to
Financial community	Investor Relations
News or trade media	Corporate Communications
Regulatory agencies	Legal Department
Elected officials	Governmental Affairs
Person seeking information about a current or former Duke Energy employee	Human Resources

To see how our values are put into practice, read Duke Energy's Code of Business Ethics online.

Political Process

Duke Energy strongly supports individual participation in the political process in our communities, including involvement with political parties, candidates or issues, and participation by eligible employees in Duke Energy's political action committee, DUKEPAC. Such activities demonstrate stewardship, by showing that we care about the communities in which we live and work.

However, because laws and regulations governing political activities and contributions are complex and diverse, employees must not undertake such activities on behalf of Duke Energy or on company time without the prior approval of Duke Energy's governmental affairs department.

Duke Energy provides information on its political activities and shares its viewpoint with employees, customers and the general public. We respect anyone's right to disagree with the official company positions regarding political preferences.

Our Responsibilities

Duke Energy employees are expected to follow these guidelines to avoid violating laws and regulations concerning political activities and contributions.

Duke Energy employees must:

- Make clear that political statements you make are your individual, personal views and not those of Duke Energy.
- Get approval from governmental affairs before performing political activities on company time or using company resources, including photocopy machines, computers, telephones and other forms of company property.
- Notify your supervisor when making plans to campaign for or serve in public office.
- Avoid conflicts of interest when serving in public office by excusing yourself from any political matters involving Duke Energy.

Records Management

Duke Energy creates, delivers and exchanges information in many ways. We must demonstrate accountability by handling records properly.

Employees manage a variety of business records in many forms, including but not limited to:

- Recorded conversations
- Presentations
- Audio conferences
- E-mails
- Paper documents
- Engineering drawings
- Videos
- Databases
- Instant Messaging

Information integrity, information privacy, information standard setting and information security issues require on-going attention.

Duke Energy's records must be retained and disposed of in accordance with Duke Energy Records Retention Rules, which include applicable laws and regulations.

Duke Energy's integrity can be seriously questioned if records are not managed appropriately, retained for the appropriate length of time or are not disposed of properly. Failure to appropriately manage records places us at risk for possible penalties, fines and other sanctions. It could also put the company at a serious disadvantage in any litigation.

Our Responsibilities

Duke Energy employees must:

- Manage our business records in accordance with the Record Management Policy and Standard, regardless of medium or characteristics.

Employees must not:

- Knowingly destroy, alter or falsify records in order to impede any pending or potential internal, civil, or governmental investigation or proceeding.

Q & A

Q: What is the definition of a "record"?

A: A record is recorded information created or received, regardless of medium or characteristics that is evidence of the company's operations, and has value requiring its retention for a specific period of time.

The official Code of Business Ethics is located on the Portal.

Printed copies may not include the most current information.

Risk Management

Duke Energy achieves its commercial objectives by executing transactions in the energy commodity markets of the United States and internationally. Participation in these markets exposes Duke Energy to credit and market risk.

Duke Energy has established risk management policies and procedures to guide its personnel in mitigating the potential negative financial impacts posed by these risks and to build a portfolio of positions that collectively meet Duke Energy's desired risk reward profile. By following these policies and procedures, Duke Energy personnel assure its shareholders, counterparties, rating agencies and regulators that transactions are being executed consistently to meet Duke Energy's risk tolerance.

Our Responsibilities

Duke Energy employees who execute, and who support the execution of, Duke Energy's commercial activities are expected to follow established risk management processes, policies and procedures. Business unit personnel with authority to execute Duke Energy's commercial activities are responsible for developing and executing business plans that are consistent with corporate strategies and risk tolerances and that comply with established policies, procedures and limits.

Business unit personnel are also responsible for developing procedures and processes designed to govern commodity risk management activity in compliance with the requirements established in Duke Energy's various Risk Management policies, and train their applicable personnel on these procedures.

Duke Energy's corporate risk management group is responsible for assessing the adequacy of the company's risk management controls, approving and maintaining business unit-specific risk practices, and providing independent identification, oversight and management of market risks.

Duke Energy employees must:

- Only execute transactions in authorized commodities, using approved instruments, and following the applicable procedures for maintaining compliance with the specific risk limits and hedge guidelines.

Duke Energy employees must not:

- Cause Duke Energy (or its affiliates) to enter into, or direct others to cause Duke Energy (or its affiliates) to enter into, energy commodity contracts for account of themselves, members of their families, friends, or persons or entities with whom they have a personal business interest.
- Knowingly, willfully or intentionally, disclose to any person not employed by the company any confidential business strategy or position, except when compelled by an outside government or oversight body, or with approval from Senior Management.

Safeguarding Company Resources

Duke Energy invests in and uses certain assets to advance its business strategy and objectives.

These assets include, but are not limited to books, office supplies, fax machines, computers, phones and work time.

Limited personal use of these assets on company time is allowed. However, because excessive personal use can be costly and impact profitability, employees are expected to use good judgment.

The personal use of equipment, tools and machinery is not allowed, except where specific business unit procedures allow for such use.

Our Responsibilities

Duke Energy employees are expected to use Duke Energy assets and resources responsibly and for legitimate business purposes.

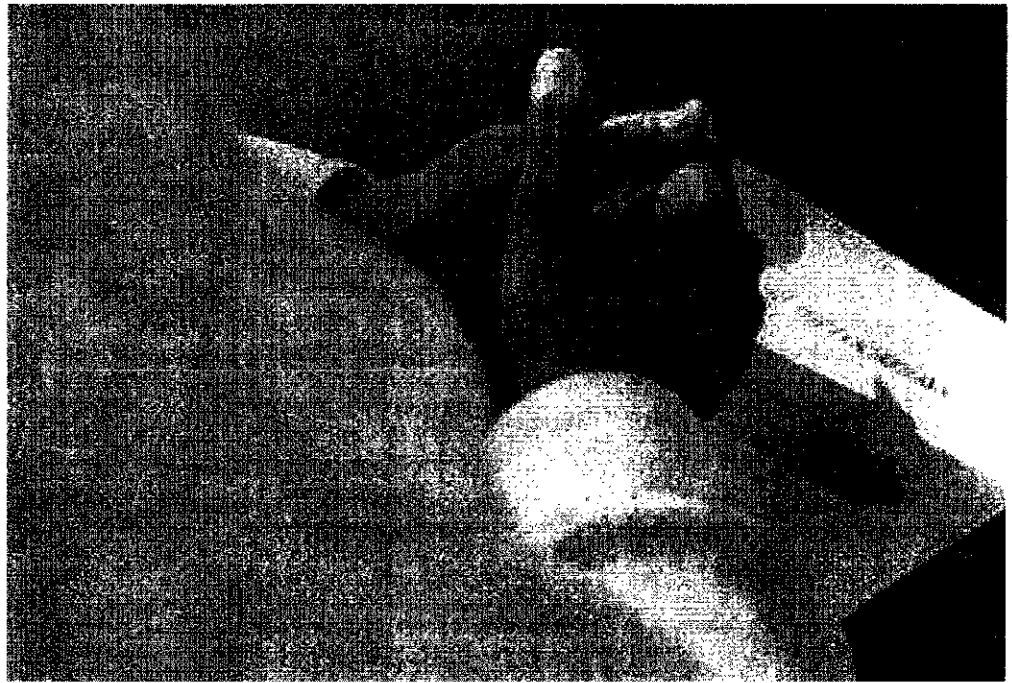
Duke Energy employees must:

- Talk to a supervisor when it is unclear if the use of a company asset in a given situation is appropriate.

Employees must not:

- Reproduce protected materials for personal use.
- Make personal use of any Duke Energy asset (including computers and other office resources, equipment, tools and machinery) that creates any additional costs for Duke Energy, interferes with work duties or violates any company policies.
- Allow company property to be used for illegal activities.
- Use company property or information for personal gain.

To see how our values are put into practice, read Duke Energy's Code of Business Ethics online.



Ethics and Compliance Program Responsibilities

As part of Duke Energy's commitment to conducting its business ethically, we have created the Ethics and Compliance Program to help employees follow this Code of Business Ethics and to meet legal or regulatory requirements related to company business.

- The Audit Committee of the board of directors exercises reasonable oversight with respect to the implementation and effectiveness of the program.
- The management of the company promotes an organizational culture that encourages ethical conduct and a commitment to compliance with all applicable laws, rules and regulations.
- The Chief Ethics and Compliance Officer has overall responsibility for the program's effectiveness.



Code of Business Ethics

EthicsLine: 1-800-525-3783

<http://www.dukeenergy-ethicsline.com>

Audit Committee Charter

**CHARTER OF THE
AUDIT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
DUKE ENERGY CORPORATION
(May 10, 2007)**

I. General Focus

The Audit Committee (the "Committee") shall provide assistance to the Board of Directors ("Board") in fulfilling its responsibilities with respect to its oversight of:

- (i) The quality and integrity of the Corporation's financial statements;
- (ii) The Corporation's compliance with legal and regulatory requirements;
- (iii) The independent auditor's qualifications and independence;
- (iv) The performance of the Corporation's internal audit function and independent auditors; and
- (v) The implementation and effectiveness of the Corporation's ethics and compliance program.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" under the rules of the New York Stock Exchange, Inc. ("NYSE") and the rules promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Each member of the Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her appointment) and at least one member shall in the judgment of the Board of Directors have accounting or related financial management expertise as required by the rules of the NYSE.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. Although the Committee will strive toward consensus, the Chair shall be entitled to cast an additional vote to resolve any ties. The Chair will approve the agendas for Committee meetings.

III. Meetings

The Committee shall meet as frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee. As part of its goal to foster open communication, the Committee shall periodically meet separately with each of management, the personnel responsible for the internal audit function and the independent auditors to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Committee may meet privately with the chief legal officer and the personnel responsible for the ethics and compliance program, as necessary.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the members, but not less than two, will constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person who need not be a member thereof to act as secretary and minutes of its proceedings shall be kept in minute books provided for that purpose. The agenda of each meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain

outside legal, accounting or other advisors for this purpose, including the authority to approve the fees payable to such advisors and any other terms of retention.

The Committee shall be given full access to the Corporation's internal audit group, ethics and compliance personnel, Board, corporate executives and independent accountants, as necessary, to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board.

Notwithstanding the foregoing, the Committee is not responsible for certifying the Corporation's financial statements or guaranteeing the independent auditor's report. The fundamental responsibility for the Corporation's financial statements and disclosures rests with management and the independent auditors.

Documents/Reports Review

1. Meet with management and the independent auditors to review and discuss, prior to public dissemination, the Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and discuss with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61 and the matters in the written disclosures required by Independence Standards Board Standard No. 1.
2. Report to the Board whether, based on its discussions with management and the independent auditor, it recommends to the Board that the most recent year's audited financial statements be included in the Corporation's annual report on Form 10-K to be filed with the SEC.
3. Review and discuss with management and the independent auditors the Corporation's earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted" non-GAAP information).
4. Review and discuss with management and the independent auditors financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each instance in which the Corporation may provide earnings guidance.

Independent Auditors

5. The Committee shall have the direct responsibility and authority to appoint, retain, compensate, evaluate, oversee and, where appropriate, replace the independent auditors. The Committee shall inform the independent auditors that such firm shall report directly to the Committee. The

Committee shall resolve disagreements between management and the independent auditor regarding financial reporting.

6. Review the independent auditors' audit plan and areas of audit focus. Review the fees and other significant compensation to be paid to the independent auditors.
7. Approve in advance any audit or nonaudit engagement or relationship between the Corporation and any independent auditor engaged to prepare or issue an audit report or perform other audit, review or attest services, other than prohibited nonauditing services, as specified in the rules and regulations of the SEC or any rules of the Public Company Accounting Oversight Board promulgated thereunder. The Committee shall not approve any "prohibited nonauditing services" without obtaining a prior exemption from the Public Company Accounting Oversight Board. Audit and nonaudit engagements must be approved either (a) explicitly in advance or (b) pursuant to a pre-approval policy established by the Committee. The Committee may delegate to one or more members of the Committee the authority to grant such pre-approvals. The delegatee's decisions regarding approval of services shall be reported by such delegatee to the full Committee at each regular Committee meeting.
8. Review and assess, at least annually, the qualifications, performance and independence of the independent auditors, including a review and evaluation of the lead partner. In conducting its review and evaluation, the Committee should:
 - (a) Review the written report of the independent auditor that delineates all relationships between the independent auditor and the Corporation that the auditors believe may impact their independence and objectivity, which report should be submitted to the Committee at least annually, and discuss with the independent auditor and management the scope of any such disclosed relationship and their actual or potential impact on the independent auditor's independence and objectivity;
 - (b) Obtain and review a report by the Corporation's independent auditor describing: (i) the auditor's internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditor or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues; and
 - (c) Take into account the opinions of management and the Corporation's internal auditors (or personnel responsible for the internal audit function).

Internal Auditors

9. Review the internal audit plan and significant changes in planned activities; review significant findings resulting from audits and managements' responsiveness to the findings.
10. Evaluate the performance and independence of the internal auditors.

Financial Reporting Process

11. In consultation with the independent auditors, management and the internal auditors, review the integrity of the Corporation's financial reporting processes, both internal and external. In connection therewith, the Committee should obtain and discuss with management and the independent auditor reports from management and the independent auditor regarding: (i) all critical accounting policies and practices to be used by the Corporation; (ii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Corporation's management, the ramifications of the use of the alternative disclosures and treatments and the treatment preferred by the independent auditor; (iii) effects of changes in accounting standards that may materially affect the Corporation's financial reporting practices; (iv) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; (v) the integrity of the Corporation's financial reporting practices and the adequacy and effectiveness of internal controls, including a review of significant findings identified by the independent auditors and internal audit, management's responsiveness to such recommendations and any specific audit steps adopted in light of material control deficiencies and (vi) any other material written communications between the independent auditor and the Corporation's management.
12. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
13. Review with the independent auditor (i) any audit problems or other difficulties encountered by the auditor in the course of the audit process, including any restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management and (ii) management's responses to such matters. Without excluding other possibilities, the Committee may wish to review with the independent auditor (i) any accounting adjustments that

were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued or proposed to be issued by the independent auditor to the Corporation. The review should also include discussion of the responsibilities, budget and staffing of the corporation's internal audit function.

Legal Compliance/General

14. Review periodically, with the Corporation's chief legal officer, any legal matter that could have a significant impact on the Corporation's financial statements and any material inquiries or reports received from regulatory or governmental agencies.
15. Review periodically the content and operation of the Corporation's ethics and compliance program and the Code of Business Ethics.
16. Discuss with management and the independent auditors at least annually the Corporation's guidelines and policies with respect to risk assessment and risk management. The Committee should discuss the Corporation's major financial risk exposures and the overall steps management has taken to monitor and control such exposures; however, the Committee is not responsible for detailed review of financial risk exposure and management, which responsibility has been delegated to another committee of the Board.
17. Set, and review periodically, clear hiring policies for employees or former employees of the independent auditors.
18. Establish, and review periodically, procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Reports

19. Review and approve the Committee's report required to be included in the Corporation's annual proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.
20. Report regularly to the full Board including:
 - (i) with respect to any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance

and independence of the Corporation's independent auditors or the performance of the internal audit function;

- (ii) following all meetings of the Committee; and
- (iii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.

The report to the Board may take the form of an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make such report.

- 21. Maintain minutes or other records of meetings and activities of the Committee.
- 22. The Committee shall receive appropriate funding from the Corporation for the payment of compensation to the independent auditors and to other advisors retained by the Committee pursuant to the provisions of this Charter.

V. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Corporate Governance Committee Charter

**CHARTER OF THE
CORPORATE GOVERNANCE COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
DUKE ENERGY CORPORATION
(Amended and Restated as of October 25, 2007)**

I. General Focus

The Corporate Governance Committee (the "Committee") shall:

- Identify individuals qualified to become directors and nominate to the Board of Directors (the "Board") the candidates for all directorships;
- Develop and recommend to the Board a set of corporate governance principles applicable to the Corporation;
- Take a leadership role in shaping the corporate governance of the Corporation;
- Oversee the evaluation of the Board as a whole as well as the individual directors, the committees of the Board and management; and
- Recommend the Chief Executive Officer succession plan and oversee the management continuity planning process.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" in accordance with the rules of the New York Stock Exchange, Inc.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. Although the Committee will strive toward consensus, the Chair shall be entitled to cast an additional vote to resolve any ties. The Chair will approve the agendas for Committee meetings.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. Meetings

The Committee shall meet at least two times annually or more frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person, who need not be a Committee member, to act as secretary, and minutes of the Committee's proceedings shall be kept in minute books provided for that purpose. The agenda of each Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Committee member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Board Selection, Composition and Evaluation

1. Establish criteria for the selection of new directors to serve on the Board.
2. Identify individuals believed to be qualified as candidates to serve on the Board and nominate to the Board the candidates for all directorships. In identifying candidates for membership on the Board, the Committee shall take into account all factors it considers appropriate, which may include strength of character,

mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board.

3. Review and make recommendations to the full Board, or determine, whether members of the Board should stand for re-election. Consider matters relating to the resignation or retirement of Board members.
4. Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. The Committee shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Corporation, including the sole authority to approve the fees payable to such search firm and any other terms of retention.
5. Consider questions of independence and possible conflicts of interest of members of the Board and executive officers.
6. Review and make recommendations regarding the composition and size of the Board so that the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds.
7. Review and evaluate, at least annually, the performance of the Board as a whole and its committees.
8. Coordinate, at least annually, the self-assessments of the individual directors.

Committee Selection, Composition and Evaluation

9. Recommend members of the Board to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of a committee.
10. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board, the qualifications and criteria for membership on each committee of the Board and, as circumstances dictate, make recommendations regarding periodic rotation of directors among the committees.
11. Periodically review the charter and composition of each committee of the Board and make recommendations to the Board for the creation of additional committees or the elimination of Board committees.

Corporate Governance

12. At such times as the Committee deems appropriate, consider the adequacy of the Articles of Incorporation and By-Laws of the Corporation and recommend to the Board, as conditions dictate, that it propose amendments to the Articles of Incorporation and By-Laws.

13. Develop and recommend to the Board a set of corporate governance principles and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board in light of such developments as may be appropriate.

Continuity / Succession Planning Process / Management Evaluation

14. Oversee and approve the management continuity planning process.
15. At least annually, recommend the Chief Executive Officer succession plan and make recommendations to the Board for the successor to the Chief Executive Officer.
16. Report to the Board any concerns or issues that might indicate that organizational strengths are not equal to the requirements of long-range goals.
17. Oversee the evaluation of the Chief Executive Officer and management.

Reports

18. Report regularly to the Board (i) following meetings of the Committee and (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities; provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
19. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall have oversight to perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Compensation Committee Charter

**CHARTER OF THE
COMPENSATION COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
DUKE ENERGY CORPORATION**

(February 26, 2008)

I. General Focus

The Compensation Committee (the "Committee") shall discharge the responsibilities of the Board of Directors (the "Board") with respect to the Corporation's compensation programs and compensation of the Corporation's executives.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" under the rules of the New York Stock Exchange, Inc. ("NYSE"). At least two members must satisfy the requirements of a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code. The Board shall select members based upon their knowledge and experience in compensation matters and with care to avoid any conflicts of interest.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. Although the Committee will strive toward consensus, the Chair shall be entitled to cast an additional vote to resolve any ties. The Chair will approve the agendas for Committee meetings.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, including to a subcommittee comprised solely of one director. The Committee also shall be entitled to delegate its authority to one or more directors (whether or not such directors serve on the Committee) as the Committee deems appropriate, provided, however, that the Committee shall not delegate any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole.

III. Meetings

The Committee shall meet as frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any Committee meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person, who need not be a member, to act as secretary, and minutes of the Committee's proceedings shall be kept in minute books provided for that purpose. The agenda of each Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Committee member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain or terminate outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Setting Compensation for Executive Officers and Directors

1. Establish and review the overall compensation philosophy of the Corporation.

2. Based upon input from the Corporate Governance Committee regarding the performance of the Chief Executive Officer and other executive officers, review and approve the annual salary, bonus, stock options and other benefits, direct and indirect, of the Chief Executive Officer and other executive officers.
3. In connection with executive compensation programs:
 - (i) Review and recommend to the full Board, or approve, new executive compensation programs;
 - (ii) Review on a periodic basis the operations of the Corporation's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s); and
 - (iii) Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
4. Review and recommend to the full Board compensation of directors.
5. Review and make recommendations to the full Board, or approve, any contracts or other transactions with executive officers of the Corporation, including consulting arrangements, employment contracts and severance or termination arrangements.
6. Review and approve annual performance goals for performance-based compensation that is intended to be tax deductible under Section 162(m) of the Internal Revenue Code and determine whether the performance goals and objectives are attained.

Monitoring Incentive and Equity-Based Compensation Plans

7. Review the Corporation's compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and amend, or recommend that the Board amend, these plans if the Committee deems it appropriate.
8. Administer any short-term incentive plan covering executive officers of the Corporation; determine whether performance targets have been met and determine the amounts and terms of any awards.
9. Review and recommend for Board approval all equity compensation plans to be submitted for shareholder approval under the NYSE listing standards, and review and, in the Committee's sole discretion, approve all equity compensation plans that are exempt from such shareholder approval requirement.
10. Review and make recommendations to the Board, or approve, all awards of shares, share options or other awards pursuant to the Corporation's equity-based

plans; provided that the authority to issue such awards to employees who are not executive officers may be delegated as above described.

11. Select, retain and/or replace, as needed, compensation and benefits consultants and other outside consultants to provide independent advice to the Committee. In that connection, in the event the Committee retains a compensation consultant, the Committee shall have the sole authority to approve such consultant's fees and other retention terms.

Reports

12. Review and discuss with management the Corporation's compensation discussion and analysis ("CD&A"), and based on that review and discussion, recommend to the Board that the CD&A be included in the Corporation's annual proxy statement or annual report on Form 10-K, and prepare the Compensation Committee Report in accordance with the rules and regulations of the Securities and Exchange Commission for inclusion in the Corporation's annual proxy statement or annual report on Form 10-K.
13. Report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
14. Maintain minutes or other records of meetings and activities of the Committee.
15. The Committee shall receive appropriate funding from the Corporation for the payment of compensation to the compensation and benefits consultants or to other advisors retained by the Committee pursuant to the provisions of this Charter.

V. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Finance and Risk Management Committee Charter

**CHARTER OF THE
FINANCE AND RISK MANAGEMENT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
DUKE ENERGY CORPORATION
(May 10, 2007)**

I. General Focus

The Finance and Risk Management Committee (the "Committee") shall:

- Review Duke Energy's financial and fiscal affairs;
- Make recommendations to the Board of Directors (the "Board") regarding dividend, financing and fiscal policies;
- Review the financial exposure of Duke Energy together with mitigating strategies;
- Review Duke Energy's risk exposure as related to the overall company portfolio and impact on earnings;
- Determine whether actions taken by management with respect to financial matters are consistent with the Approval of Business Transactions Policy and associated Delegation of Authority;
- Review the financial impacts of major transactions, such as mergers, acquisitions, reorganizations and divestitures;
- Provide oversight for information technology security and risk; and
- Review systems, processes and organizational structure and people responsible for the finance and risk functions.

II. Structure and Operations

The Committee shall be comprised of two or more members of the Board.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. Although the Committee will strive toward consensus, the Chair shall be entitled to cast an additional vote to resolve any ties. The Chair will approve the agendas for Committee meetings.

III. Meetings

The Committee shall meet as frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person who need not be a member thereof to act as secretary, and minutes of its proceedings shall be kept in minute books provided for that purpose. The agenda of each meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Financial and Fiscal Affairs

1. Periodically review the long-term and short-term financial objectives and policies of the Corporation, including dividend policy, and recommend such policies and objectives for action by the Board where appropriate.
2. Review the financial condition and operating results of the Corporation.
3. Evaluate the financing requirements of the Corporation and management's proposed financing plans. Recommend to the Board those authorizations, filings and applications necessary and appropriate to enable management to execute such plans.
4. Review any major budget variances as defined in the Approval of Business Transactions Policy for supplemental funding requests.

5. Review the financial exposures undertaken by the Corporation together with any mitigating strategies, including insurance, and consider these in light of the approved Corporate Risk Management Policies and the Approval of Business Transactions Policy (and associated Delegation of Authority). Such exposures include physical and financial positions in commodities markets; derivatives strategies; capital commitments; sovereign and foreign exchange exposures; undertakings assumed in turnkey construction or engineering agreements, including liquidated damages; and exposure to interest rate fluctuations.
6. Review the risk exposures and impact to earnings for Duke Energy's commodity portfolio.
7. Consider and recommend to the Board of Directors common stock sales, repurchases or splits, as appropriate, and payments of quarterly dividends.
8. Review entry into and status of Duke Energy's credit facilities.
9. Review periodically investment guidelines and performance, including investment aspects of pension trusts and other employee benefits programs.
10. Review financial implications of any significant transactions requiring Board approval, such as mergers, acquisitions, reorganizations and divestitures.

Information Technology

11. Provide oversight for matters related to the security of and risks related to information technology systems and procedures.

Reports

12. Report regularly to the Board (i) following meetings of the Committee and (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities, provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such a report.
13. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall have oversight to perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or

valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Nuclear Oversight Committee Charter

**CHARTER OF THE
NUCLEAR OVERSIGHT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
DUKE ENERGY CORPORATION
(May 10, 2007)**

I. General Focus

The Nuclear Oversight Committee (the "Committee") shall provide Board of Directors ("Board")-level oversight of the nuclear safety, operational and financial performance as well as long-term plans and strategies of Duke Energy Corporation's (the "Corporation") nuclear power program and make appropriate reports to the Board. This oversight role is one of review, observation and comment and in no way alters management's authority, responsibility or accountability.

II. Structure and Operations

The Committee shall be comprised of two or more members of the Board.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. Although the Committee will strive toward consensus, the Chair shall be entitled to cast an additional vote to resolve any ties. The Chair will approve the agendas for Committee meetings.

III. Meetings

The Committee shall meet at least three times annually or more frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any meeting at which a

quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take any action by unanimous written consent.

The Committee shall appoint a person, who need not be a Committee member, to act as secretary, and minutes of the Committee's proceedings shall be kept in minute books provided for that purpose. The agenda of each Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Committee member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Specific Duties

1. At each meeting of the Committee, receive reports on any significant events or incidents that have occurred at the Corporation's nuclear power stations as well as on any significant external or internal oversight group reports that have been issued since the last meeting of the Committee.
2. At least annually, visit each nuclear power station and receive reports on the station's nuclear safety, operational and financial performance as well as on significant issues and projects.
3. Meet periodically with external (Nuclear Regulatory Commission, Institute of Nuclear Power Operations) and internal (Nuclear Safety Review Board) oversight groups.
4. At least annually, receive reports on the overall nuclear safety, operational and financial performance of the Corporation's nuclear power program as compared with commercial nuclear power industry trends and review long-term plans and strategies.

Reports

5. Report regularly to the Board (i) following meetings of the Committee and (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities; provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
6. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall have oversight to perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Our Mission

We make people's lives better by providing gas and electric services in a sustainable way. This requires us to constantly look for ways to improve, to grow and to reduce our impact on the environment.

OUR DIRECTION IN 2008 AND BEYOND

Warren Buffett's balanced approach to meeting future energy needs:

- "Investing in the right energy sources, you can have your cake and eat it too. You can have a portfolio of investments that will provide a steady stream of cash flow, while also providing a hedge against the volatility of the energy market."
- "We will continue to invest in all of the energy sources that we believe will be important in the future, including coal, natural gas, oil, wind, solar, and nuclear."

Carbon Dioxide: The Key to a Carbon-Conscious Future

Carbon Dioxide: The Key to a Carbon-Conscious Future

Carbon Dioxide: The Key to a Carbon-Conscious Future

Carbon Dioxide: The Key to a Carbon-Conscious Future

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Carbon Dioxide: The Key to a Carbon-Conscious Future

Carbon Dioxide: The Key to a Carbon-Conscious Future

- By running our business well and providing excellent customer service, we can minimize price impacts to our customers and maintain the financial health of the company.

We must deliver on our commitments

- We will steadily grow earnings — making our company attractive to investors — and achieve our employee incentive target of \$1.25 per ongoing diluted share.
- We will continue to balance our residential and commercial investments based on the business environment.
- We will strive to be "simply the best" in our industry.

OUR VALUES

- **Caring** — We look out for each other. We strive to make the environment a better place to live.
- **Integrity** — We do the right thing. We honor our commitments. We admit when we're wrong.
- **Openness** — We're open to change and to new ideas from our co-workers, customers and other stakeholders. We explore ways to grow our business and make it better.
- **Passion** — We're passionate about what we do. We strive for excellence. We take personal accountability for our actions.
- **Respect** — We value diverse talents, perspectives and experiences. We treat others the way we want to be treated.
- **Safety** — We put safety first in all we do.



Dow Jones Sustainability Indexes
Member 2007/08

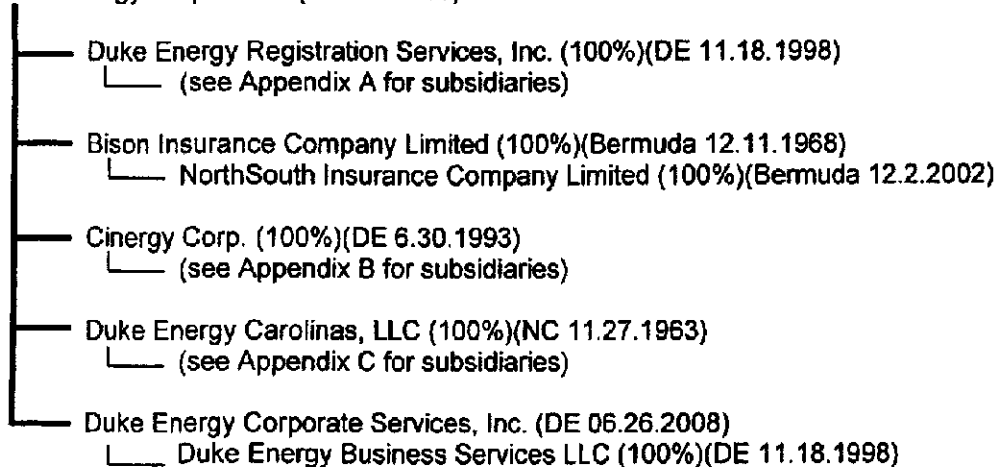
- Duke Energy has been named to the Dow Jones Sustainability Index for North American companies in the electric utility sector.

SUSTAINABILITY DEFINED

- The Dow Jones Sustainability Index defines corporate sustainability as "a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."
- Duke Energy has internalized sustainability to mean we do business in a way that is good for people, the planet and profits.

DUKE ENERGY CORPORATION CORPORATE STRUCTURE

Duke Energy Corporation (DE 5.3.2005)



Information contained in the World Records database takes precedence over information disclosed in this document.
Balance of ownership for entities <100% owned by a Duke entity can be referenced in World Records.

Duke Energy Corporation

└─ Duke Energy Registration Services, Inc. (100%)

Duke Energy Registration Services, Inc. (100%)(DE 11.18.1998)

└─ PanEnergy Corp. (100%) (DE 1.26.1981)

└─ Duke Energy Services, Inc. (100%)(DE 6.8.1959)

└─ Duke Energy Marketing Corp. (100%)(NV 11.7.1994)

└─ Duke/Louis Dreyfus L.L.C. (50%)(NV 3.1.1995)

└─ DETMI Management, Inc. (100%)(CO 6.21.1994)

└─ DTMSI Management Ltd. (100%)(Alberta Canada 7.9.1996)

└─ DE Marketing Canada Ltd. (60%)(Canadian Federal 7.17.1996)

└─ Duke Energy Marketing Limited Partnership (1%)(Alberta 8.1.1996)

└─ KEFI-Exchange Inc. (4%)(Alberta Canada 10.28.1999)

└─ Duke Energy Trading and Marketing, L.L.C. (60%)(DE 7.10.1996)

└─ Duke Ventures, LLC (100%)(NV 12.19.2000)

└─ CRE, LLC (100%)(DE 8.15.2006)

└─ Crescent Holdings, LLC (49%)(DE 8.30.2006)

└─ Crescent Resources, LLC (100%)(GA 12.31.2000)

└─ Duke Capital Partners, LLC (100%)(DE 3.14.2000)

└─ EnerVest Olanta, LLC (50%)(TX 6.22.2001)

└─ Dixilyn-Field Drilling Company (100%)(DE 1.31.1977)

└─ Dixilyn-Field (Nigeria) Limited (100%)(Nigeria 11.14.1977)

└─ Dixilyn-Field International Drilling Company, S.A. (100%)(Panama 6.10.1970)

└─ Duke Energy Services Canada Ltd. (100%)(Alberta Canada 8.30.1995)

└─ Duke Energy Marketing Limited Partnership (59.40%)(Alberta Canada 8.1.1996)

└─ KEFI-Exchange Inc. (4%)(Alberta Canada 10.28.1999)

└─ Duke Energy Services Ireland Limited (100%)

└─ DukeNet Communications, LLC (100%)(DE 12.15.2000)

└─ Duke Communication Services, Inc. (100%)(NC 12.22.1998)

└─ DukeNet Communication Services, LLC (100%)(DE 12.21.2006)

└─ Tower Management, Inc. (IN, 05.16.2008)

└─ DukeNet/TCG LLC (21.6%)(NC 12.12.1997)

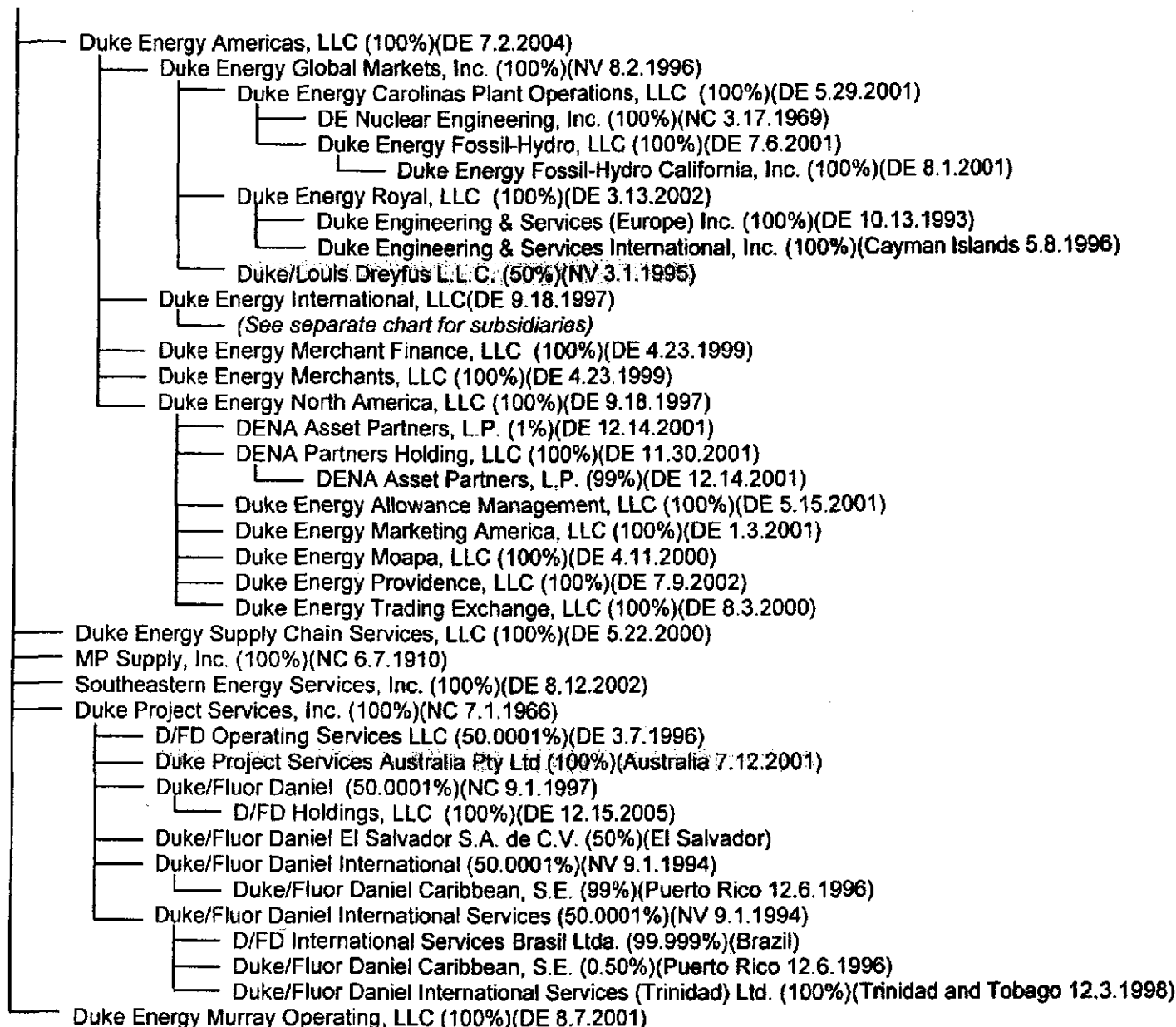
└─ Eastman Whipstock do Brasil Ltda (100%)(Brazil, 5.21.1979)

└─ Eastman Whipstock S.A. (100%)(Argentina 10.13.1981)

└─ Energy Pipelines International Company (100%)(DE 4.28.1975)

└─ Pan Service Company (100%)(DE 8.13.1976)

└─ Seahorse do Brasil Servicos Maritimos Ltda. (100%)(Brazil 3.30.1979)



Information contained in the World Records database takes precedence over information disclosed in this document.
 Balance of ownership for entities <100% owned by a Duke entity can be referenced in World Records.

Duke Energy Corporation
 └─ Cinergy Corp. (100%)

Cinergy Corp. (100%)(DE 6.30.1993)

- └─ Cinergy Global Resources, Inc. (100%)(DE 5.15.1998)
 - └─ (See Appendix D for subsidiaries)
- └─ Cinergy Investments, Inc. (100%)(DE 10.24.1994)
 - └─ Cinergy Capital & Trading, Inc. (100%)(IN 10.8.1992)
 - └─ (see Appendix E for subsidiaries)
 - └─ Cinergy-Centrus, Inc. (100%)(DE 4.23.1998)
 - └─ Cinergy-Centrus Communications, Inc. (100%)(DE 7.17.1998)
 - └─ Cinergy Technology, Inc. (100%)(IN 12.12.1991)
 - └─ Duke-Cadence, Inc. (100%)(IN 12.27.1989)
 - └─ Cadence Network, Inc. (100%)(DE 3.7.2000)
 - └─ Duke Communications Holdings, Inc. (100%)(DE 9.20.1996)
 - └─ Q-Comm Corporation (32.7%)(NV 9.26.1996)
 - └─ Duke Energy Engineering, Inc. (100%)(OH 3.28.1997)
 - └─ Duke Energy Generation Services Holding Company, Inc. (100%)(DE 2.11.1997)
 - └─ (see Appendix F for subsidiaries)
 - └─ Duke-Reliant Resources, Inc. (100%)(1.14.1998)
 - └─ Reliant Services, LLC (50%)(IN 6.25.1998)
 - └─ Fiber Link, LLC (75%)(IN 9.5.2000)
- └─ Cinergy Receivables Company, LLC (100%)(DE 1.10.2002)
- └─ Cinergy Wholesale Energy, Inc. (100%)(OH 11.27.2000)
 - └─ Cinergy Origination & Trade, LLC (100%)(DE 10.19.2001)
 - └─ Cinergy Power Generation Services, LLC (100%)(DE 11.22.2000)
- └─ Duke Energy Indiana, Inc. (100%)(IN 9.6.1941)
 - └─ South Construction Company, Inc. (100%)(IN 5.31.1934)
- └─ Duke Energy Ohio, Inc. (100%)(OH 4.3.1837)
 - └─ Cinergy Power Investments, Inc. (100%)(OH 12.5.2000)
 - └─ Duke Energy Kentucky, Inc. (100%)(KY 3.20.1901)
 - └─ KO Transmission Company (100%)(KY 4.11.1994)
 - └─ Miami Power Corporation (100%)(IN 3.25.1930)
 - └─ Ohio Valley Electric Corporation (9%)
 - └─ Tri-State Improvement Company (100%)(OH 1.14.1964)
- └─ DukeTec LLC (100%)(DE 11.16.2000)
 - └─ DukeTec I LLC (100%)(DE 11.16.2000)
 - └─ eVent Resources I LLC (80%)(DE 11.17.2000)
 - └─ eVent Resources Holdings LLC (100%)(DE 12.13.2000)
 - └─ DukeTec II LLC (100%)(DE 12.23.2003)
 - └─ eVent Resources I LLC (20%)(DE 11.17.2000)
 - └─ eVent Resources Holdings LLC (100%)(DE 12.13.2000)
- └─ Duke Technologies, Inc. (100%)(DE 7.26.2000)
 - └─ Cinergy Two, Inc. (100%)(DE 11.6.2000)
 - └─ Duke Broadband, LLC (100%)(DE 9.22.2003)
 - └─ Duke Energy One, Inc. (100%)(DE 9.5.2000)
 - └─ Cinergy Solutions – Utility, Inc. (100%)(DE 9.27.2004)
 - └─ Duke Investments, LLC (100%)(DE 7.25.2000)
 - └─ Current Communications Group, LLC (9.34%)(DE 10.24.2000)
 - └─ Duke Supply Network, LLC (100%)(DE 8.10.2000)
 - └─ Duke Ventures II, LLC (100%)(DE 9.1.2000)
 - └─ Catalytic Solutions, Inc. (12.9%)(CA 1.31.1996)

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 Balance of ownership for entities <100% owned by a Duke entity can be referenced in World Records.

Duke Energy Corporation
 └─ Duke Energy Carolinas, LLC (100%)

Duke Energy Carolinas, LLC (100%)(NC 11.27.1963)

- └─ APOG, LLC (20%)(DE 6.22.2007)
- └─ Atmospheric Fluidized Bed Development Corporation (14.2857%)(NC 6.20.1984)
- └─ Advance SC LLC (100%)(SC 7.9.2004)
- └─ Caldwell Power Company (100%)(NC 7.28.1921)
- └─ Carolinas Virginia Nuclear Power Associates, Inc. (25%)(NC 10.4.1956)
- └─ Catawba Manufacturing and Electric Power Company (100%)(NC 10/15/1901)
- └─ Claiborne Energy Services, Inc. (100%)(LA 3.1.1990)
 - └─ Louisiana Energy Services, L.P. (3.33%)(DE 4.9.1990)
- └─ Duke Energy Merchants Investments (UK) Limited (100%)(England and Wales 5.1.2001)
 - └─ Duke Energy Merchants UK LLP (50%)(England and Wales 10.25.2001)
- └─ Duke Energy Merchants Trading and Marketing (UK) Limited (100%)(England 12.18.2000)
 - └─ Duke Energy Merchants UK LLP (50%)(England and Wales 10.25.2001)
- └─ Duke Energy Receivables Finance Company, LLC (100%)(DE 7.16.2003)
- └─ Eastover Land Company (100%)(KY 6.30.1970)
- └─ Eastover Mining Company (100%)(KY 7.15.1970)
- └─ Greenville Gas and Electric Light and Power Company (100%)(SC 1.28.1861)
- └─ Kannapolis Energy Partners, LLC (9%)(NC 1.24.1996)
- └─ MCP, LLC (100%)(SC 8.18.2000)
- └─ NuStart Energy Development (16.67%)(DE 4.19.2004)
- └─ Piedmont Venture Partners Limited Partnership (10.64%)(NC 10/3/1996)
- └─ Sandy River Timber, LLC (100%)(SC, 10.26.2007)
- └─ Southern Power Company (100%)(NC 12.30.1927)
- └─ TBP Properties, LLC (100%)(SC 12.11.2006)
- └─ TRES Timber, LLC (100%)(SC 12.11.2006)
- └─ Wateree Power Company (100%)(SC)
- └─ Western Carolina Power Company (100%)(NC 9.10.1907)

Duke Energy Corporation

- Cinergy Corp. (100%)
 - Cinergy Global Resources, Inc. (100%)

Cinergy Global Resources, Inc. (100%)(DE 5.15.1998)

- Cinergy Global Power, Inc. (100%)(DE 9.4.1997)
 - CGP Global Greece Holdings, SA (99.99%)(Greece 8.10.2001)
 - Attiki Denmark ApS (51%)(Denmark 10.1.2000)
 - Attiki Gas Supply Company, SA (49%)(Greece 11.2.2001)
 - Cinergy Global Ely, Inc. (100%)(DE 8.28.1998)
 - Cinergy Global (Cayman) Holdings, Inc. (100%)(Cayman Islands 9.4.1997)
 - Cinergy Global Tsavo Power (100%)(Cayman Islands 9.4.1997)
 - IPS-Cinergy Power Limited (48.2%)(Kenya 4.28.1999)
 - Tsavo Power Company Limited (49.9%)(Kenya 1.22.1998)
 - Cinergy Global Holdings, Inc. (100%)(DE 12.18.1998)
 - CGP Global Greece Holdings, SA (.01%)(Greece 8.10.2001)
 - Cinergy Holdings, BV (100%)(Netherlands 4.7.1948)
 - Cinergy Global Power Africa (Proprietary) Limited (100%)(South Africa 8.3.1999)
 - Cinergy Global Power Services Limited (100%)(England 8.14.1997)
 - Cinergy Global Power (UK) Limited (100%)(England 2.5.1998)
 - Cinergy Global Trading Limited (100%)(England 5.25.1999)
 - Cinergy Global Hellas, SA (100%)(Greece 6.13.2003)
 - Cinergy Global Power Iberia, SA (100%)(Spain 6.17.1998)
 - Commercial Electricity Supplies Limited (100%)(England 8.10.1993)
 - UK Electric Power Limited (100%)(England 12.24.1920)
 - eVent Resources Overseas I, LLC (DE 5.29.2001)
 - Midlands Hydrocarbons (Bangladesh) Limited (100%)(England 6.29.1993)

- Cinergy UK, Inc. (100%)(DE 5.1.1996)

Duke Energy Corporation

- Cinergy Corp. (100%)
 - Cinergy Investments, Inc. (100%)
 - Cinergy Capital & Trading, Inc. (100%)

Cinergy Capital & Trading, Inc. (100%)(IN 10.8.1992)

- Brownsville Power I, L.L.C. (100%)(DE 7.13.1998)
- CinCap IV, LLC (10%)(DE 12.3.1997)
- CinCap V, LLC (10%)(DE 7.21.1998)
- Cinergy Climate Change Investments, LLC (100%)(DE 6.9.2003)
- Cinergy General Holdings, LLC (100%)(DE 12.14.2001)
- Cinergy Limited Holdings, LLC (100%)(DE 12.14.2001)
- Cinergy Mexico General, LLC (100%)(DE 2.17.2004)
 - Cinergy Mexico Holdings, L.P. (0.01%)(DE 2.20.2004)
 - Cinergy Mexico Marketing & Trading, LLC (100%)(DE 2.24.2004)
- Cinergy Mexico Limited, LLC (100%)(DE 2.17.2004)
 - Cinergy Mexico Holdings, L.P. (99.99%)(DE 2.20.2004)
 - Cinergy Mexico Marketing & Trading, LLC (100%)(DE 2.24.2004)
- Cinergy Retail Power General, Inc. (100%)(DE 8.7.2001)
 - Cinergy Retail Power, L.P. (0.1%)(DE 8.8.2001)
- Cinergy Retail Power Limited, Inc. (100%)(DE 8.6.2001)
 - Cinergy Retail Power, L.P. (99%)(DE 8.8.2001)
- CinFuel Resources, Inc. (100%)(DE 1.10.2002)
 - Spruce Mountain Investments, LLC (1%)(DE 11.8.2006)
 - Spruce Mountain Products, LLC (100%)(DE 10.27.2006)
 - LH1, LLC (1%)(DE 1.10.2002)
 - Oak Mountain Products, LLC (100%)(DE 7.9.2001)
- CinPower I, LLC (100%)(DE 6.12.1998)
- Duke Energy Retail Sales, LLC (100%)(DE 12.9.2003)
- LH1, LLC (99%)(DE 1.10.2002)
 - Oak Mountain Products, LLC (100%)(DE 7.9.2001)
- Ohio River Valley Propane, LLC (100%)(DE 10.18.2001)
- Spruce Mountain Investments, LLC (99%)(DE 11.8.2006)
- SynCap II, LLC (100%)(DE 10.13.2000)

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 Balance of ownership for entities <100% owned by a Duke entity can be referenced in World Records.

Duke Energy Corporation

- Cinergy Corp. (100%)
 - Cinergy Investments, Inc. (100%)
 - Duke Energy Generation Services Holding Company, Inc. (100%)

Duke Energy Generation Services Holding Company, Inc. (100%)(DE 2.11.1997)

- 1388368 Ontario Inc. (100%)(Ontario 12.2.1999)
 - Cinergy Solutions Limited Partnership (00.1%)(Ontario 12.14.1999)
- 3036243 Nova Scotia Company (100%)(Nova Scotia Canada 12.10.1999)
 - Cinergy Solutions Limited Partnership (99.9%)(Ontario 12.14.1999)
- DEGS EPCOM College Park, LLC (100%)(DE 8.20.1999)
- DEGS of Boca Raton, LLC (100%)(DE 9.4.1998)
- DEGS of Cincinnati, LLC (100%)(OH 7.29.1997)
- DEGS of St. Paul, LLC (100%)(DE 8.13.1998)
 - Environmental Wood Supply, LLC (50%)(MN 8.10.2000)
 - St. Paul Cogeneration, LLC (50%)(MN 12.18.1998)
- DEGS of Tuscola, Inc. (100%)(DE 10.13.1998)
- DEGS Wind I, LLC (100%)(DE 5.23.2007)
 - DEGS Wind Supply, LLC (100%)(DE, 12.11.2007)
 - DEGS Wind Vermont, Inc. (VT, 06.20.2008)
 - Notrees Windpower, LP (99%)(DE 9.30.2005)
 - TE Notrees, LLC (100%)(DE 9.30.2005)
 - Notrees Windpower, LP (1%)(DE 9.30.2005)
 - Ocotillo Windpower, LP (99%)(DE 12.22.2004)
 - TE Ocotillo, LLC (100%)(DE 12.21.2004)
 - Ocotillo Windpower, LP (1%)(DE 12.22.2004)
 - TE Silver Sage, LLC (100%)(DE 4.16.2007)
 - Silver Sage Windpower, LLC (100%)(DE 4.16.2007)
 - TE Happy Jack, LLC (100%)(DE 10.27.2006)
 - Happy Jack Windpower, LLC (100%)(DE 10.27.2006)
- Delta Township Utilities, LLC (51%)(DE 7.5.2001)
- Delta Township Utilities II, LLC (46%)(DE 3.25.2004)
- Duke Energy Generation Services, Inc.(DE 6.2.2000)
 - (See Appendix G for subsidiaries)
- Energy Equipment Leasing LLC (49%)(DE 11.12.1998)
- Owings Mills Energy Equipment Leasing, LLC (49%)(DE 10.20.1999)
- SUEZ-DEGS, LLC (50%)(DE 2.18.1997)
- SUEZ-DEGS of Ashtabula, LLC (49%)(DE 4.21.1999)
- SUEZ-DEGS of Lansing, LLC (51%)(DE 11.3.1999)
 - SUEZ/VWNA/DEGS of Lansing, LLC (80%)(DE 11.3.1999)
- SUEZ-DEGS of Orlando, LLC (100%)(DE 6.12.1998)
- SUEZ-DEGS of Owings Mills, LLC (49%)(DE 9.20.1999)
- SUEZ-DEGS of Rochester, LLC (49%)(DE 10.20.1999)
- SUEZ-DEGS of Silver Grove, LLC (49%)(DE 3.18.1999)
- SUEZ-DEGS of Tuscola, LLC (49%)(DE 8.21.1998)

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Duke Energy Corporation

Cinergy Corp. (100%)

Cinergy Investments, Inc. (100%)

Duke Energy Generation Services Holding Company, Inc. (100%)

Duke Energy Generation Services, Inc. (100%)

Duke Energy Generation Services, Inc. (100%)(DE 6.2.2000)

BSPE Holdings, LLC (50%)(DE 1.10.2001)

BSPE Limited, LLC (100%)(DE 1.10.2001)

BSPE, L.P. (99%)(DE 1.16.2001)

BSPE General, LLC (100%)(DE 1.11.2001)

BSPE, L.P. (1%)(DE 1.16.2001)

Cinergy Solutions Partners, LLC (100%)(DE 9.12.2000)

CST Limited, LLC (100%)(DE 5.18.2001)

CST Green Power, L.P. (99%)(DE 5.23.2001)

Green Power Holdings, LLC (50%)(DE 12.12.2000)

Green Power G.P., LLC (100%)(TX 12.15.2000)

South Houston Green Power, L.P. (1%)(DE 12.19.2000)

Green Power Limited, LLC (100%)(DE 12.12.2000)

South Houston Green Power, L.P. (99%)(DE 12.19.2000)

CST General, LLC (100%)(TX 5.22.2001)

CST Green Power, L.P. (1%)(DE 5.23.2001)

Green Power Holdings, LLC (50%)(DE 12.12.2000)

Green Power G.P., LLC (100%)(TX 12.15.2000)

South Houston Green Power, L.P. (1%)(DE 12.19.2000)

Green Power Limited, LLC (100%)(DE 12.12.2000)

South Houston Green Power, L.P. (99%)(DE 12.19.2000)

CSGP General, LLC (100%)(TX 4.5.2001)

CSGP Services, L.P. (1%)(DE 4.6.2001)

CSGP Limited, LLC (100%)(DE 4.5.2001)

CSGP Services, L.P. (99%)(DE 4.6.2001)

CSGP of Southeast Texas, LLC (100%)(DE 2.22.2001)

DEGS Biogas, Inc. (100%)(DE 11.9.2000)

DEGS GASCO, LLC (100%)(DE 11.9.2000)

DEGS O&M, LLC (100%)(DE 8.30.2004)

DEGS of Delta Township, LLC (100%)(DE 12.15.2004)

DEGS of Lansing, LLC (100%)(DE 6.25.2002)

DEGS of Monaca, LLC (100%)(DE 12.16.2003)

DEGS of Narrows, LLC (100%)(DE 3.17.2003)

DEGS of Oklahoma, LLC (100%)(DE 8.13.2002)

DEGS of Parlin, LLC (100%)(DE 4.10.2006)

DEGS of Philadelphia, LLC (100%)(DE 5.11.2001)

DEGS of Rock Hill, LLC (100%)(DE 3.17.2003)

DEGS of San Diego, Inc. (100%)(DE 1.9.2004)

DEGS of Shreveport, LLC (100%)(DE 6.28.2002)

DEGS of South Charleston, LLC (100%)(DE 8.24.2004)

DEGS of St. Bernard, LLC (100%)(DE 1.6.2003)

Duke Energy Industrial Sales, LLC (100%)(DE 6.6.2006)

Lansing Grand River Utilities, LLC (100%)(DE 9.14.2000)

Oklahoma Arcadian Utilities, LLC (40.8%)(DE 12.5.2000)

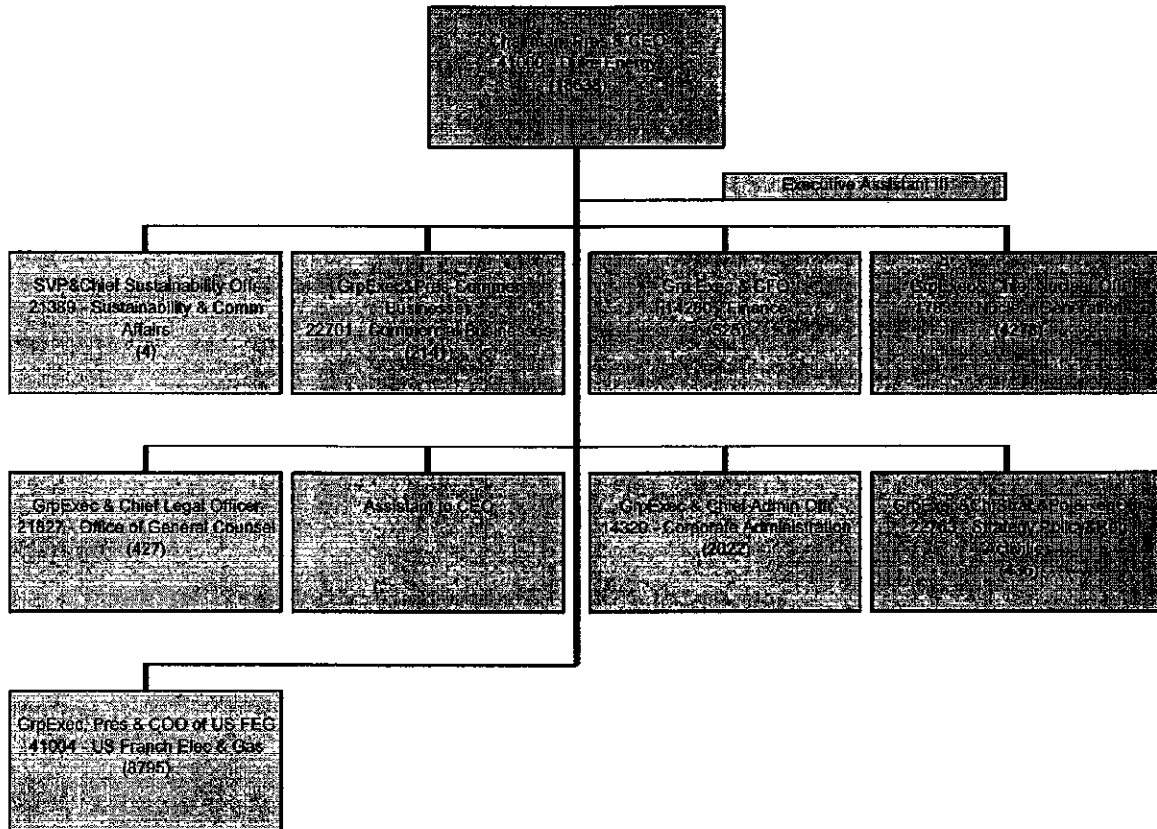
Shreveport Red River Utilities, LLC (40.8%)(DE 10.16.2000)

Teak Mountain Products, LLC (100%)(DE 5.1.2007)

Willow Mountain Products, LLC (100%)(DE 5.1.2007)

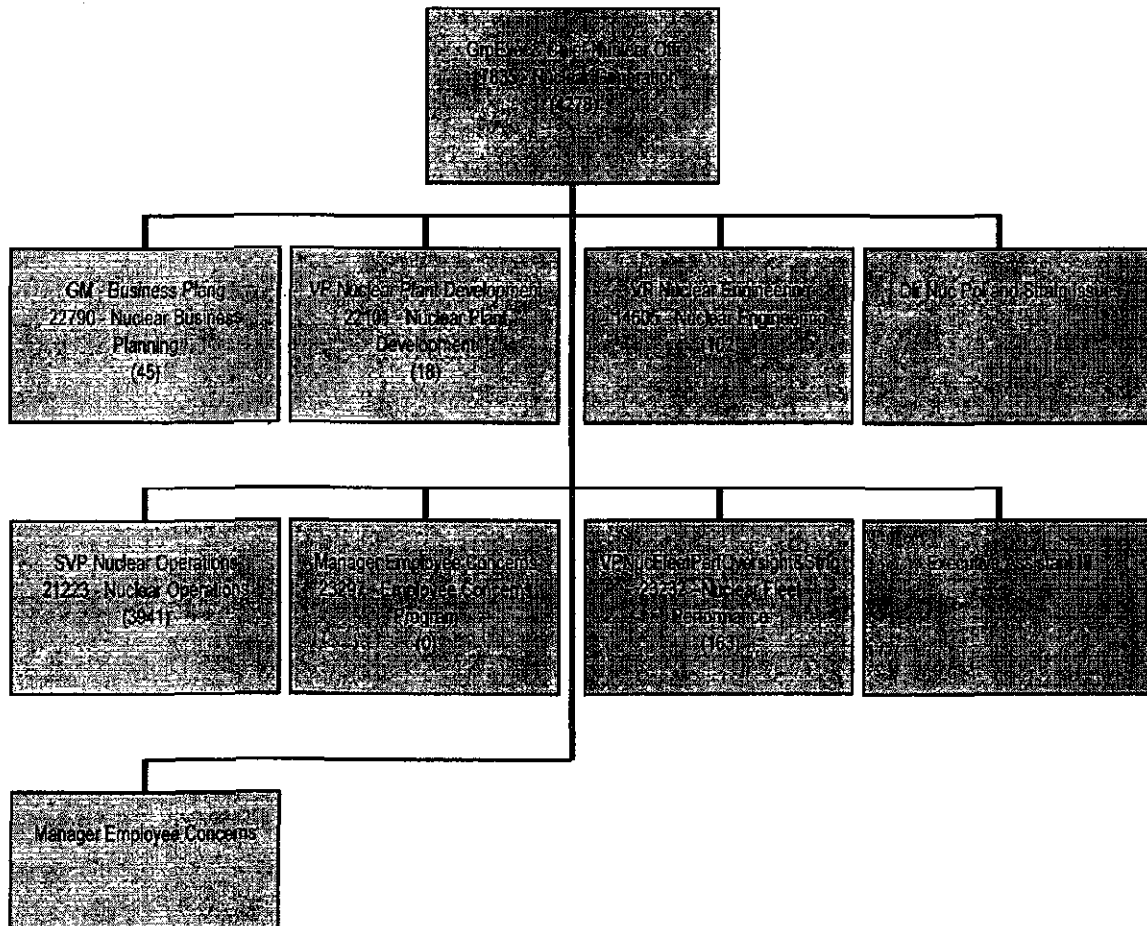
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Chairman, President & CEO



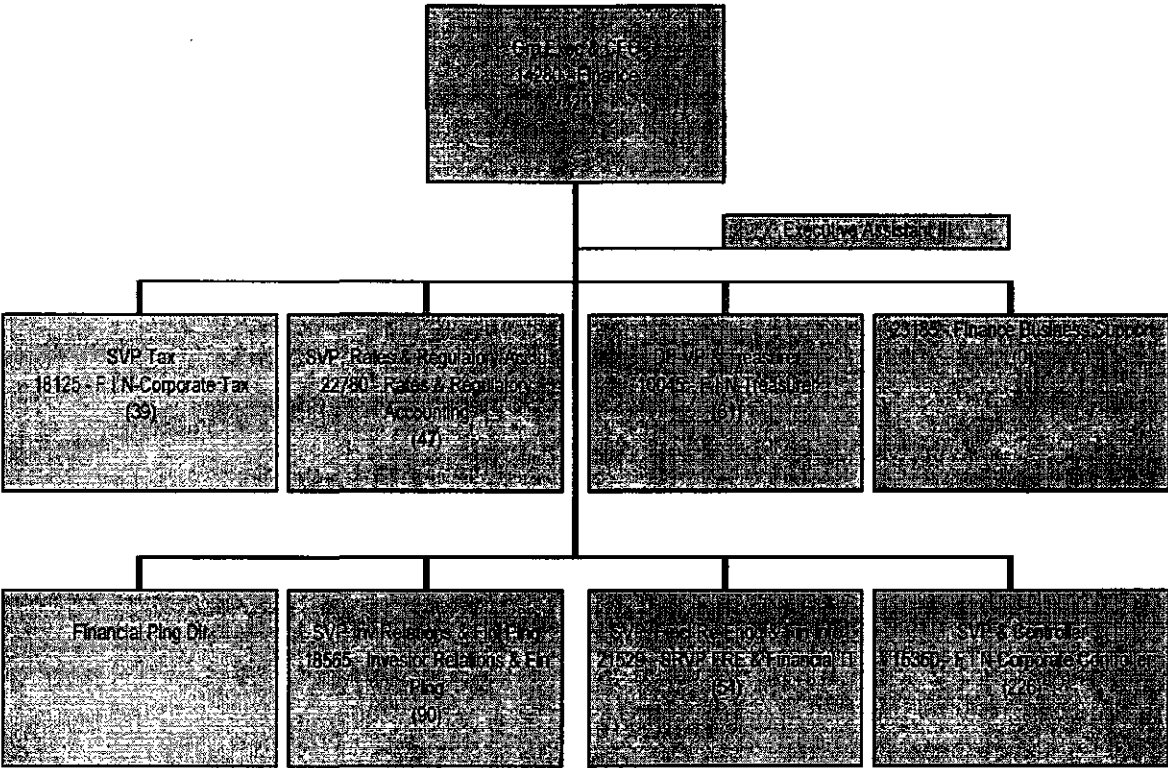
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Group Executive & Chief Nuclear Officer



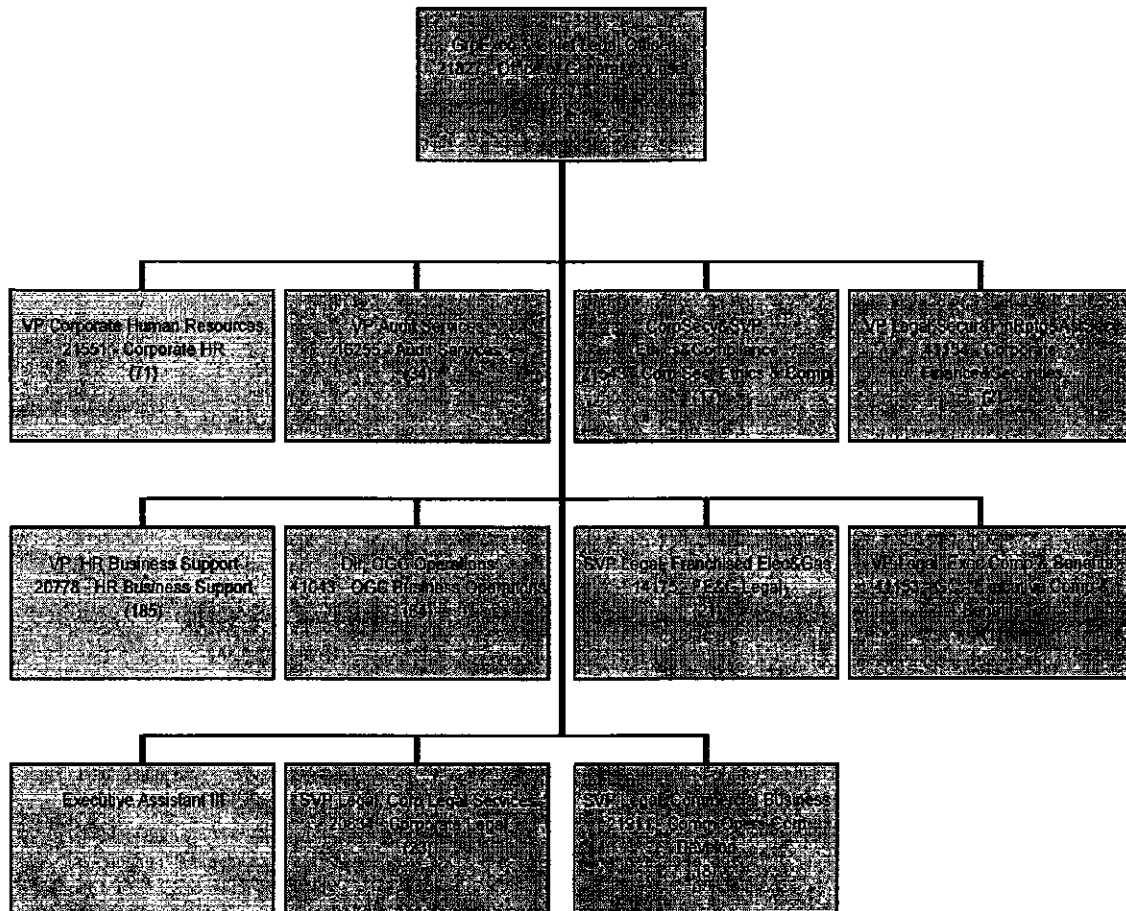
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Group Executive & Chief Financial Officer



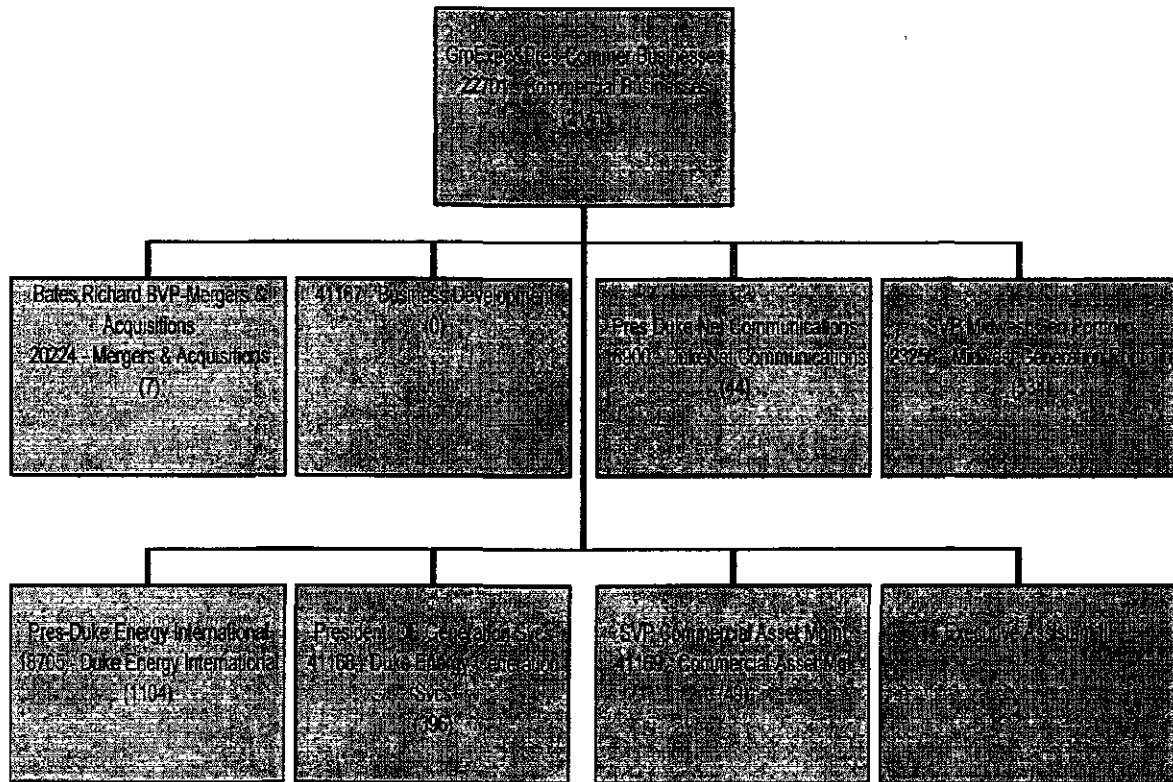
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Group Executive & Chief Legal Officer



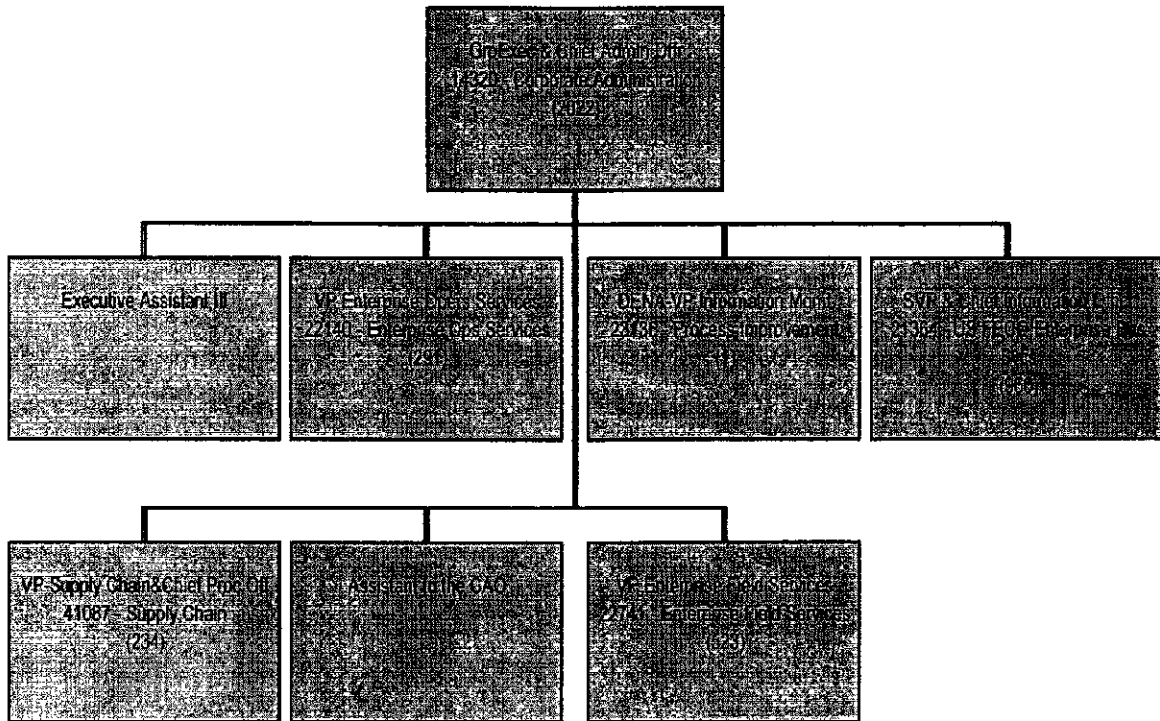
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Group Executive & President Commercial Businesses



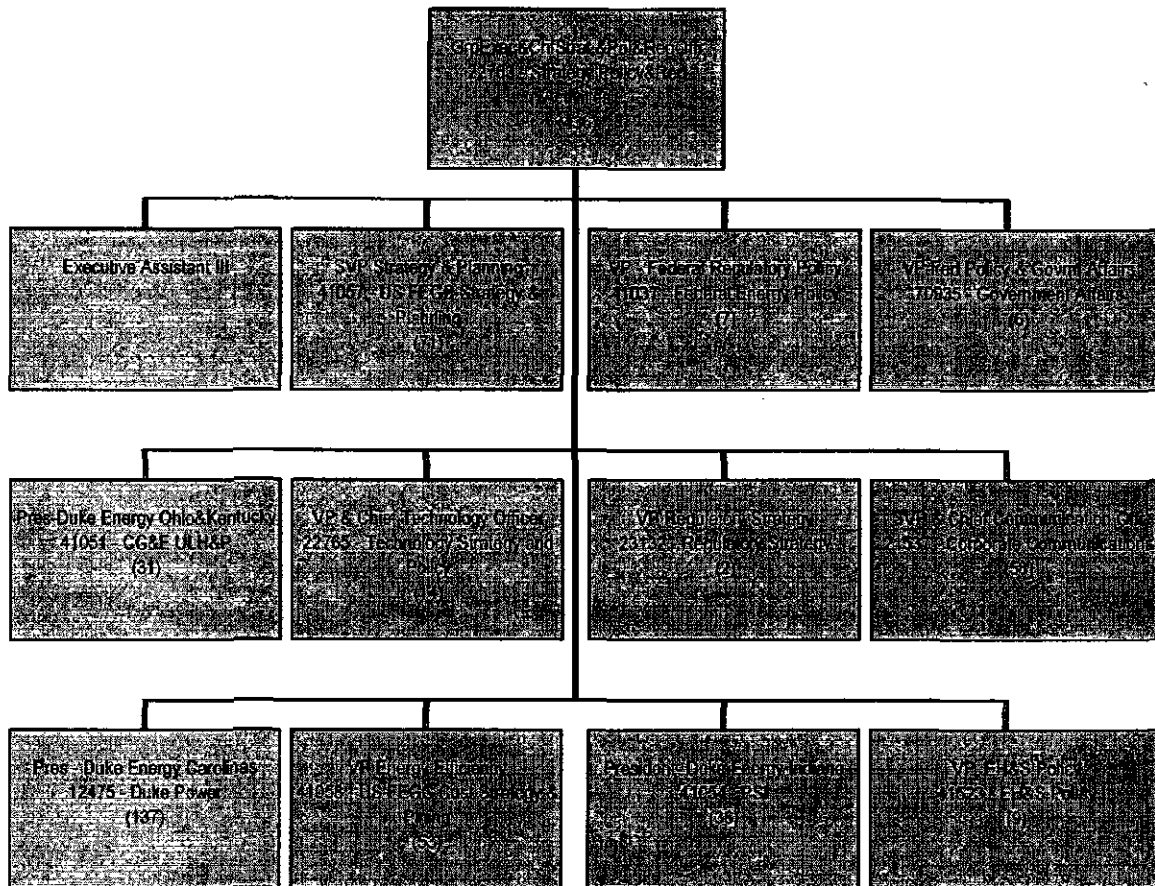
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Group Executive & Chief Administrative Officer



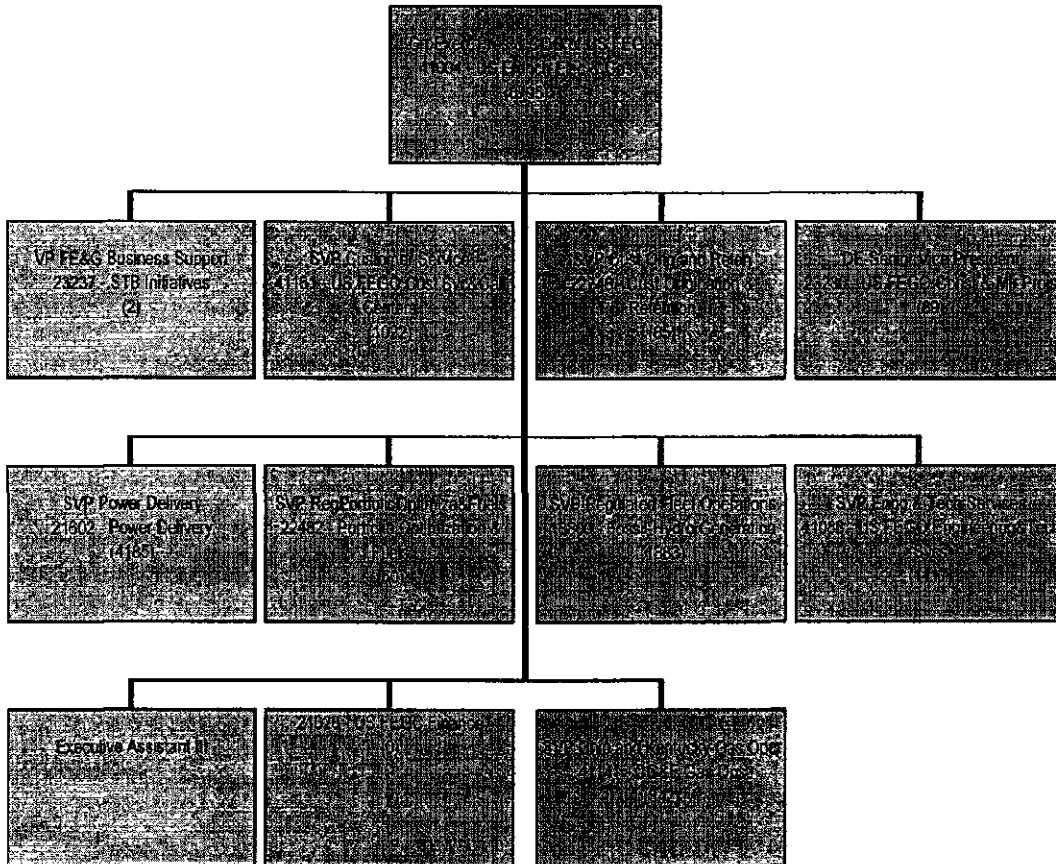
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Group Executive & Chief Strategy, Policy & Regulatory Officer



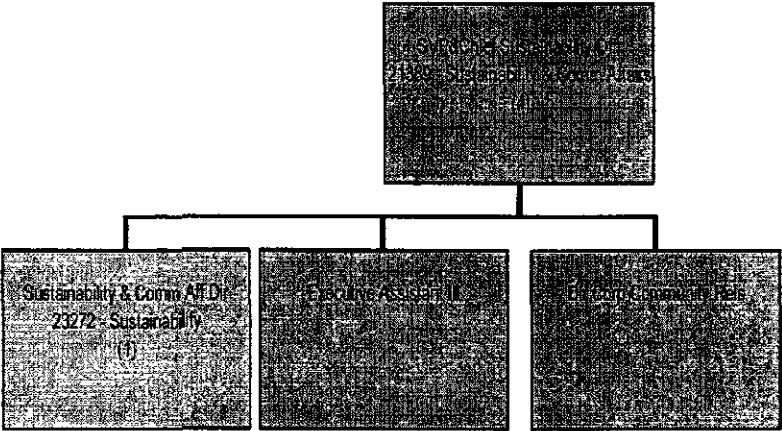
DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

President & Chief Operating Officer, US Franchised Electric & Gas



DUKE ENERGY CORPORATION MANAGEMENT STRUCTURE

Senior Vice President & Chief Sustainability Officer



DUKE ENERGY CORPORATION
PRINCIPLES FOR CORPORATE GOVERNANCE
(Amended and Restated as of October 25, 2007)

An effective Board will positively influence shareholder value and enhance the reputation of Duke Energy Corporation (the "Company") as a constructive resource in the communities where it does business. Good governance practices will provide a framework for timely responses to issues affecting the Company and thereby maximize the effectiveness of the Board. The Board of Directors of the Company adopts these Principles for Corporate Governance to signal its strong commitment to good corporate governance practices.

Principles for Corporate Governance

1. Responsibilities of Directors

- The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors are entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.
- A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities.
- A director is expected to regularly attend meetings of the Board and committees on which the director serves and be adequately prepared to participate fully in any discussion.
- A director should at all times discharge his or her responsibilities with the highest standards of ethical conduct, in conformity with applicable laws and regulations, and act solely in the best interest of the Company's shareholders.
- The directors are entitled to have the Company purchase reasonable D&O liability insurance on their behalf; to receive the benefits of indemnification to the fullest extent permitted by law and the Company's charter, bylaws and any indemnification agreements; and to benefit from exculpation as provided by state law and the Company's charter.

2. Director Nominations

- The Corporate Governance Committee will have the primary responsibility for nominating candidates for election to the Board.

- Nominees will be leaders in their field, have broad experience, show familiarity with national and international issues, possess sound business judgment, and have other attributes that will enhance shareholder value.
- The Board will seek acting or former executive officers of complex businesses, leading academics, successful entrepreneurs and individuals who will add diversity to the Board.
- The Board will possess certain experiences and core competencies that are identified as essential to the success of the Company.
- Each Director or Director nominee also should:
 - Possess fundamental qualities of intelligence, perceptiveness, good judgment, maturity, high ethics and standards, integrity and fairness.
 - Have a genuine interest in the Corporation and a recognition that, as a member of the Board, one is accountable to the shareholders of the Corporation, not to any particular interest group.
 - Have, as a general rule, a background that includes broad business experience or demonstrates an understanding of business and financial affairs and the complexities of a large, multifaceted, global business organization.
 - Be the present or former Chief Executive Officer, Chief Operating Officer, or substantially equivalent level executive officer of a highly complex organization such as a corporation, university or major unit of government, or a professional who regularly advises such organizations.
 - Have no irreconcilable conflict of interest or legal impediment which would interfere with the duty of loyalty owed to the Corporation and its shareholders. (Review with the CEO, Chairman of the Board or Chairman of the Corporate Governance Committee any relationships of the Director or Director nominee with competitors, suppliers, customers or service providers to the Corporation, which might be construed as an irreconcilable conflict of interest).
 - Have the ability and be willing to spend the time required to function effectively as a Director.
 - Be compatible and able to work well with other Directors and executives in a team effort with a view to a long-term relationship with the Corporation as a Director.
 - Have independent opinions and be willing to state them in a constructive manner.

- Be a shareholder of the Corporation (within a reasonable time of election to the Board).
- Directors will be selected on the basis of talent and experience without regard to race, religion, sex or national origin. The Corporation seeks a Board with a diversity of background among its members and a Board that will possess certain core competencies.
- The following procedure is recommended whenever a vacancy occurs on the Board or the Board wishes to add to its membership. First, potential candidates are identified through the efforts of an external search organization or otherwise. Next, the Chairman of the Board or the Chairman of the Corporate Governance Committee shall make initial exploratory contacts with the potential candidates. Then, an opportunity shall be arranged for the members of the Corporate Governance Committee or as many as can do so to meet the potential candidates. The Corporate Governance Committee shall then select a candidate to recommend to the Board of Directors for consideration and appointment. Board members appointed in this manner shall serve, absent unusual circumstances, until their election by the Corporation's shareholders at the next annual meeting of shareholders of the Corporation.
- The Committee will evaluate a director candidate recommended by a shareholder in the same manner and to the same extent as it evaluates director candidates identified by other means.

3. Voting for Directors

- In an uncontested election of directors, any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election will, within five days following the certification of the shareholder vote, tender his or her written resignation to the Chairman of the Board for consideration by the Corporate Governance Committee. As used herein, an "uncontested election of directors" is an election in which the number of nominees is not greater than the number of Board seats open for election.
- The Corporate Governance Committee will consider such tendered resignation and, promptly following the date of the shareholders' meeting at which the election occurred, will make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Corporate Governance Committee will consider all factors deemed relevant by the members of the Corporate Governance Committee including, without limitation, the stated reason or reasons why shareholders who cast "withhold" votes for the director did so, the qualifications of the director (including, for example, the impact the director's resignation would have on the Company's compliance with the requirements of the Securities and Exchange Commission, the New York Stock Exchange and these Principles for Corporate Governance), and

whether the director's resignation from the Board would be in the best interests of the Company and its shareholders.

- The Corporate Governance Committee also will consider a range of possible alternatives concerning the director's tendered resignation as members of the Committee deem appropriate including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Corporate Governance Committee to have substantially resulted in the "withheld" votes.
- The Board will take formal action on the Corporate Governance Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which the election occurred. In considering the Corporate Governance Committee's recommendation, the Board will consider the information, factors and alternatives considered by the Corporate Governance Committee and such additional information, factors and alternatives as the Board deems relevant.
- Following the Board's decision on the Corporate Governance Committee's recommendation, the Company will promptly disclose, in a Form 8-K filed with the Securities and Exchange Commission, the Board's decision, together with a full explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.
- No director who, in accordance with this policy, is required to tender his or her resignation, shall participate in the Corporate Governance Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director. If a majority of the members of the Corporate Governance Committee received a greater number of votes "withheld" from their election than votes "for" their election, then the independent directors then serving on the Board who received a greater number of votes "for" their election than votes "withheld" from their election will appoint an ad hoc Board committee from amongst themselves (the "Ad Hoc Committee"), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Corporate Governance Committee and perform the Corporate Governance Committee's duties for the purposes of this policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it (including in circumstances where the entire Board receives a greater number of votes "withheld" from their election than votes "for" their election", the entire Board (other than the directors whose resignation is being considered) will make the determination to accept or reject the tendered resignation without

any recommendation from the Corporate Governance Committee and without the creation of an Ad Hoc Committee.

4. Director Orientation

- New directors will receive a comprehensive package of orientation materials.
- Senior managers and other appropriate personnel and outside advisors will brief new directors on the Company and the industry, including the Company's strategic plans, internal control procedures, compliance programs, code of ethics and related policies, management and internal and independent auditors.
- Directors will be encouraged to take advantage of field visits to Company facilities.

5. Combination of Chairman and Chief Executive Officer

- The positions of Chairman of the Board and Chief Executive Officer may be held by the same individual.

6. Lead Director

- Unless an independent director is filling the role of Chairman of the Board, the Board will appoint a Lead Director who will serve as a liaison between the Board, the Chairman of the Board and the Chief Executive Officer. The Lead Director will have the following specific duties and responsibilities, among others:
 - Preside at all meetings of the Board at which the Chairman of the Board and the Chief Executive Officer is not present, including executive sessions of the outside members of the Board, and apprise the Chairman of the Board and the Chief Executive Officer of the issues considered, as appropriate.
 - In the event of the death or incapacity of the Chairman of the Board or in other situations where it is not possible or appropriate for the Chairman to assume leadership of the Board, become the acting Chairman of the Board until such time as a Chairman of the Board shall have been selected.
 - Advise the Chairman of the Board and the Chief Executive Officer as to agendas and schedules of Board meetings.
 - Review and approve agendas and schedules of Board meetings, including advising on quality, quantity and timeliness of information.
 - Call meetings of the outside members of the Board when necessary and appropriate.

- Be available for consultation and direct communication with the Company's major shareholders.
- The name of the Lead Director shall be disclosed in the Company's proxy statement for the annual meeting of shareholders, together with a method for interested parties to communicate directly with the Lead Director or with the non-management directors as a group.

7. Size of the Board

- Smaller boards tend to be more effective.
- The current view is that a Board of 10-14 directors is the optimal size.

8. Frequency of Meetings

- The Board will meet as frequently as required to attend to the business of the Company.
- Regular meetings will be supplemented by teleconference meetings as required.

9. Independence of Directors

- Independent directors will constitute a substantial majority of the Board.
- The Corporate Governance Committee will confirm that the composition of relevant committees conforms to applicable director independence requirements.

10. Service on Other Boards

- Interlocking directorships will only be allowed in conformance with applicable laws and regulations.
- Current directors will notify the Chairman of the Board when considering a request for service on another board, and the Corporate Governance Committee will discuss potential conflicts of interest and whether the service would interfere with such director's ability to properly discharge his or her duties.
- Outside members of the Board will serve on no more than four other public company Boards without the prior approval of the Board.
- The CEO will not serve on any other company Boards, other than not-for-profit organizations, without the prior approval of the Board.

11. **Directors Whose Responsibilities Change**
 - A director whose occupational responsibilities change will, as a matter of course, submit a letter of resignation, except where the duties changed as a result of normal retirement.
 - The Corporate Governance Committee will review letters of resignation to determine whether a resignation should be accepted.
12. **Term Limits**
 - Limits will not be imposed on the terms of directors.
13. **Retirement Age**
 - The normal retirement date will be the annual meeting following a director's 70th birthday.
14. **Director Compensation / Share Ownership**
 - Director compensation and benefits will be competitive, reasonable and customary in comparison to companies that are similarly situated.
 - The Board, upon the recommendation of the Compensation Committee, will approve director compensation and benefits.
 - Stock ownership guidelines will require directors to have a financial stake in the Company.
15. **Assessing the Board's Performance**
 - The Corporate Governance Committee will annually assess the Board's performance.
 - The Corporate Governance Committee is responsible for coordinating the annual self-assessments of the individual directors.
 - The Corporate Governance Committee will address any issues concerning the performance of an individual director.
 - Directors are encouraged to make suggestions as to Board practices.
16. **Board Interaction with Institutional Investors, Press, Customers**
 - The Chairman of the Board has primary responsibility for communications with various stakeholders.
 - Board members who meet with stakeholders should first coordinate with management.

17. **Board Access to Management**
 - Board members have complete access to management.
 - The Board welcomes the exposure of top managers to the Board.
18. **Selection of Agenda Items for Board Meetings**
 - The Chairman of the Board with the assistance of management and the Lead Director will establish the agenda for Board meetings.
 - Board members are free to suggest agenda items.
 - The Board annually reviews long-term strategic plans and reviews strategic updates.
 - The Board annually reviews operating plans and specific goals at the beginning of the year and financial performance periodically.
19. **Board Materials Distributed in Advance**
 - The Board will be fully informed of major proposals.
 - Materials will be distributed in writing prior to each Board meeting.
 - Materials will be brief but thorough.
 - The Secretary will discuss adequacy of materials with Board members periodically.
20. **Board Presentations**
 - Presentation materials shall be provided in advance of meetings.
 - Sensitive matters may be discussed without written materials.
 - Board members will review fully all materials and will be prepared for crisp and focused discussion on management proposals.
21. **Number of Committees**
 - The committees shall include Audit, Compensation, Corporate Governance, Finance and Risk Management and Nuclear Oversight.
 - Each committee will have a formal statement of responsibilities in the form of a charter complying with all applicable laws, rules and regulations.
22. **Assignment and Rotation of Committee Members**
 - The Corporate Governance Committee will recommend to the Board the assignment of Board members to committees.

- The rotation of committee memberships will be encouraged, but not mandated.

23. Frequency and Length of Committee Meetings

- The committee chair will determine the frequency and length of meetings.
- Committee actions will be reported to the full Board.
- All directors are free to attend any committee meetings but may be excluded by the committee as the committee deems appropriate in order to carry out its responsibilities.

24. Evaluation of the Chief Executive Officer

- Directors are encouraged to comment to the Chief Executive Officer, the Chairman of the Board or the Chairman of the Corporate Governance Committee upon the performance of the Chief Executive Officer when circumstances warrant.
- The Corporate Governance Committee will conduct annually a formal evaluation of the Chief Executive Officer and will consider factors such as individual performance, the extent to which measures related to enterprise challenges are successfully achieved, the feedback of directors and the advice of outside experts when recommending changes to the Compensation Committee which shall establish the compensation of the Chief Executive Officer.

25. Succession Planning and Development Plan

- The Chairman of the Board and/or the Chief Executive Officer will review management succession plans at least annually with the Board of Directors.
- The Board will recommend Chief Executive Officer succession plans at least annually.
- The Board will seek to assure that the status of organizational strengths is equal to requirements of long-range goals.

26. Periodic Review

- The Corporate Governance Committee will review the Principles for Corporate Governance periodically and will make recommendations to the Board as appropriate.

27. Executive Sessions

- The outside members of the Board will hold regular meetings without management.

- The Lead Director will preside over executive sessions of the Board.

28. Continuing Education

- Directors are encouraged to take advantage of continuing education opportunities that will enhance their ability to fulfill their responsibilities.