UNDERSTANDING YOUR UTILITY BILL
A GUIDE FOR BUSINESSES IN OHIO

DUKE ENERGY®

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INTRODUCTION

Understanding your utility bill is an important first step in lowering your energy costs. This guide provides you with simple and direct explanations of the components of your utility bill and how it is calculated.

Many businesses have found they can lower their utility bills without impacting their operations. You may be able to reduce your energy costs by revising operating schedules, replacing inefficient equipment or selecting a different rate schedule. You can also take advantage of our energy efficiency and demand response programs:

- Smart $aver® Incentives help you lower the initial costs of purchasing energy efficient equipment – to help control your operating costs and improve your bottom line.
- Our PowerShare® demand response program rewards your business for curtailing your energy usage during periods of peak demand.
- Duke Energy's Outdoor Lighting Program's turnkey service includes equipment, installation, operation and maintenance – all for one monthly fee. Let us light up your facility with some bright, efficient LEDS.

Please contact your Account Manager, or go to www.duke-energy.com for more information.

BASIC BILLING CONCEPTS

CUSTOMER CHOICE PROGRAMS

In Ohio, customers have the option of selecting an alternative supplier for their physical gas and/or electric commodity. In each case, Duke Energy has the obligation to deliver the natural gas or electric commodity along our local gas pipelines and our local electric distribution system.

Some alternative suppliers prefer to bill you separately for the service they provide, while others allow Duke Energy to bill you on their behalf. Where Duke Energy bills you on behalf of your alternative supplier, you will receive a single bill from Duke Energy, with your Duke Energy charges and alternative supplier charges separately stated. You make just one payment to Duke Energy, and we see to it that your payment is appropriately allocated.

If you make a partial payment, that is, you do not pay the full amount due, Duke Energy applies your payment in the following order:

- Past-due Duke Energy charges
- Current Duke Energy charges
- Past-due alternative supplier charges
- Current alternative supplier charges.

GAS CONSUMPTION AND CHARGES

Unlike electric service, which can be measured in consumption as well as peak demand, gas service is simply measured by the amount of gas you consume throughout the billing period. This consumption is measured in hundreds of cubic feet, or CCF. Each month, Duke Energy reads your gas meter to determine the amount of gas you consume throughout the month, without regard to the time of day or how much you consume at any point in time.

Duke Energy recovers our costs of building, operating and maintaining gas pipelines, as well as billing and customer service, primarily through fixed delivery service charges and riders. We recover the cost of the gas we sell through consumption-based charges.

Customers taking gas supply from Duke Energy are assessed a **Gas Cost Recovery (GCR)** charge. This charge is intended to compensate Duke Energy dollar-for-dollar for the cost of purchasing the gas we deliver to customers. The GCR also contains an excise tax assessed on gas purchases that Duke Energy is required to collect on behalf of the State of Ohio. The GCR is adjusted monthly to capture the changes in the price of gas that Duke Energy purchases in the wholesale marketplace. The Public Utilities Commision of Ohio approves the monthly change.

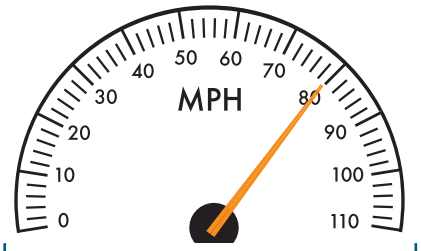
See the Glossary on page 18 for definitions of terms, appearing in bold.

ELECTRIC ENERGY AND DEMAND

Duke Energy measures electricity usage in two ways. The first measure is **energy** – which is the quantity of electricity used, measured in kilowatt-hours (kWh), like that shown on your billing statement at home. The second measure is **demand** – which is the rate of energy usage, measured in kilowatts (kW). The key to understanding your utility bill is to remember the difference between electric energy and demand.

It may help to use the analogy of the odometer and speedometer in a car. The amount of energy used (kilowatt-hours) can be compared to miles driven, as shown on the odometer. Energy demand (kilowatts) is more like the speed or the rate at which the miles are driven, as shown on the speedometer.

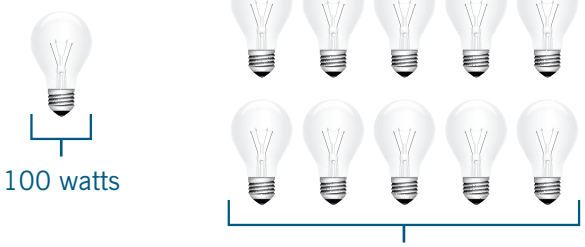
Odometer (kilowatt-hours)



Speedometer (kilowatts)

EXAMPLE:

When you turn on an electric appliance, you create demand for power. This instantaneous amount of electricity demanded is measured in **watts**. A 100-watt light bulb, for example, demands 100 watts of electricity when it is energized. Ten 100-watt light bulbs would demand 1,000 watts (10 x 100 = 1,000) or 1 kilowatt (kW). So kilowatts measure the rate at which electricity is used.



100 watts

1,000 watts or 1 kilowatt

If this same one-kilowatt load is operated for one hour, one kilowatt-hour (kWh) of electricity is used (1 kilowatt x 1 hour = 1 kilowatt-hour.) The kilowatt-hour is the most common unit for measuring electrical energy usage.

- Kilowatts measure the demand, or rate of energy usage, at any point in time.
- Kilowatt-hours measure the total amount of energy used over time.

WHY DOES DUKE ENERGY MEASURE DEMAND?

We need to plan for the maximum electrical demand that could be expected from your business during the year. How we plan to meet your energy needs is similar to your decision process when you purchase a car. For example, if you want a car that can go up to 90 miles per hour, it needs to have a large enough engine.

Even if you never actually get the chance to drive that fast, you plan for that possibility by buying a car with capacity to do so. Similarly, Duke Energy installs facilities to satisfy your highest demand for electricity, even though your operations may reach that level only a few times a year. We do this to reserve capacity for you on the Duke Energy system (generating plants, and transmission and distribution lines) and to ensure we properly size the equipment necessary to serve your business.

By measuring demand, Duke Energy can better ensure that facilities are properly sized and that customers are charged appropriately for their capacity needs. This helps us to meet the energy needs of all our customers.

HOW DO I KNOW IF I AM BEING BILLED FOR DEMAND?

If your business has a meter that measures electrical demand, your billing statement will show readings for both demand (kW) and energy (kWh).

The billing statement on this page is for a customer whose meter registers only energy (kWh). The billing statement on the next page is for a customer whose meter registers both energy (kWh) and demand (kW).

ENERGY ONLY

Due Date	Amount Due
Jun 21, 2011	$64.84

Account Number 0000-1234-05-6

$ _____ HeatShare Contribution (for Customer Assistance)

$ _____ Amount Enclosed

Acme Enterprises
Attn: Accounting Dept
123 Main St
Cincinnati OH 45202-4109

P.O. Box 1326
Charlotte NC 28201-1326

400 00001234567 00123456789 123456789 00001234567

Page 1 of 2

Name /Service Address	For Inquiries Call		Account Number
Acme Enterprises Attn: Accounting Dept 123 Main St Cincinnati OH 45202-4109	Duke Energy	1-877-632-3853	0000-1234-05-6

Mail Payments To	Account Information	
PO Box 1326 Charlotte, NC 28201-1326	Payments after May 27 not included Last payment received May 13	Bill prepared on May 27, 2011 Next meter reading Jun 27, 2011

Meter Number	Reading Date From	To	Days	Meter Reading Previous	Present	Multi	Usage	Actual kW
Elec 012345678	Apr 27	May 26	29	75114	75497	1	383	9.00

Electric - Commercial	
Usage - 383 k h Duke Energy ate - ate DM01	$ 64.84
Current Electric Charges	**$ 64.84**

Current Billing	
Amt Due - Previous Bill	$ 72.88
Payment(s) eceived	72.88cr
Balance Forward	**0.00**
Current Electric Charges	64.84
Current Amount Due	**$ 64.84**

Due Date	Amount Due	After Jul 1, 2011
Jun 21, 2011	$64.84	$65.81

See the Glossary on page 18 for definitions of terms, appearing in bold.

ENERGY AND DEMAND

Due Date	Amount Due
Jun 16, 2011	$806.86

Account Number 0000-1234-05-6

$ _____ HeatShare Contribution (for Customer Assistance)

$ _____ Amount Enclosed

Acme Enterprises
Attn: Accounting Dept
123 Main St
Cincinnati OH 45202-4109

P.O. Box 1326
Charlotte NC 28201-1326

400 00001234567 00123456789 123456789 00001234567

Name /Service Address	For Inquiries Call		Account Number
Acme Enterprises Attn: Accounting Dept 123 Main St Cincinnati OH 45202-4109	Duke Energy	1-877-632-3853	0000-1234-05-6

Mail Payments To	Account Information	
PO Box 1326 Charlotte, NC 28201-1326	Payments after May 25 not included Last payment received May 19	Bill prepared on May 25, 2011 Next meter reading Jun 23, 2011

Meter	Number	Reading Date From	To	Days	Meter Reading Previous	Present	Multi	Usage	Actual kW
Elec	012345678	Apr 25	May 24	29	7886	7912	1	6,240	14.40

Electric - Commercial	
Usage - 6,240 kWh	14.40 kW
Duke Energy Rate - Rate DS01	$ 682.16
Current Electric Charges	**$ 682.16**

Current Billing	
Amt Due - Previous Bill	$ 921.67
Payment(s) Received	921.67 cr
Balance Forward	**0.00**
Current Electric Charges	682.16
Current Amount Due	**$ 682.16**

Due Date	Amount Due	After Jul 1, 2011
Jun 16, 2011	$806.86	$818.96

ELECTRIC CONSUMPTION AND CHARGES

If demand readings are shown on your billing statement, you will notice two separate entries. One is actual demand (measured by the meter) and the other is billing demand. Your utility bill is based on billing demand, which may not be the same as actual demand for the billing period. Billing demand is based on several factors, depending on your rate schedule. Two factors that can affect your billing demand are power factor and the demand ratchet.

Power factor is defined as the ratio of real power (kW, demand) to total apparent power (kilovolt amperes, or kVa) supplied at any given point in time in an electrical circuit, and is usually expressed as a percentage. The power factor applies to Primary Distribution Service, Secondary Distribution Service and Service at Transmission Voltage. For these rates, where a customer's power factor falls below 90 percent, the demand, or kW, used in determining the demand charge is adjusted to the demand necessary to achieve a 90 percent power factor.

Demand ratchet, which applies to Primary and Secondary Distribution as well as Transmission Service, denotes that a customer's billing demand is based on actual demand or 85 percent of highest recorded demand between June and September billing for the next 11 months, whichever is greater. The demand ratchet is billed because Duke Energy must maintain and invest in more generation, transmission and distribution equipment to meet high short-term needs – which peak in the summer months.

METERING ELECTRIC ENERGY AND DEMAND

The meters used at residences and some small businesses register only electrical energy usage in kilowatt-hours (kWh). The meter continuously measures the number of kWh used. At the end of each billing period (typically one month), a kWh reading is obtained from the meter. The previous month's reading is then subtracted from the new reading to determine kWh consumption. In some cases, the meter registers only a portion of the kWh used, and a **multiplier** is used to determine actual usage. The multiplier, if applicable, is shown on your billing statement.

Meters at most businesses, however, measure both kilowatt-hours (energy) and kilowatts (demand). Kilowatts measure the average rate at which kilowatt-hours are used during a certain time interval. The time interval used by Duke Energy is 15 minutes.

EXAMPLE:

If a 10-kW electrical load (like a commercial oven) is operated for 15 minutes, the demand register on the meter will record 10 kW. During this same 15 minutes, the kWh register on the meter will record the use of 2.5 kilowatt-hours (10 kW x ¼ hour = 2.5 kWh). The demand register will retain this 10-kW demand unless higher demand occurs during any subsequent 15-minute interval during the billing month.

See the Glossary on page 18 for definitions of terms, appearing in bold.

UNDERSTANDING ELECTRIC DEMAND

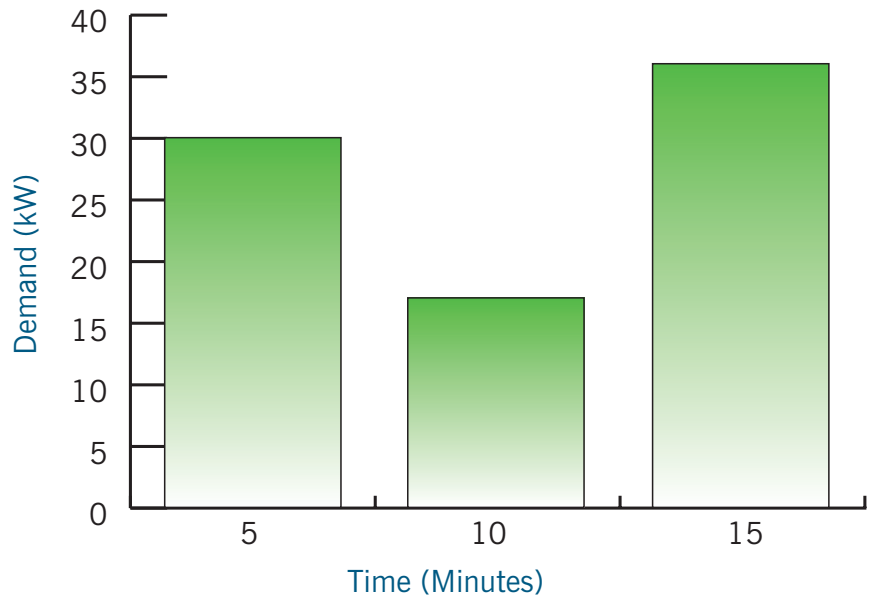
INTEGRATED DEMAND

A demand meter measures the maximum 15-minute kilowatt demand during the applicable billing period. Since the demand measurement is "integrated," or averaged over each 15-minute period during the billing month, short periods of intense use, such as the start-up of a motor, will have minimal impact on the registered demand. At the end of the billing period, Duke Energy records both the kilowatt-hour and the maximum 15-minute integrated kilowatt demand readings from the meter. The demand register is then reset so it can measure maximum demand for the following month.

EXAMPLE: 15–MINUTE INTEGRATED DEMAND PROFILE

This example illustrates how demand is calculated for an office with about 4,500 square feet of space, during the summer.

For the first five minutes, the lights are on and the cooling system is running. During the next five minutes, the air conditioning system cycles off, but several pieces of office equipment (computers, printers and a copy machine) are in use. During the last five minutes, all the equipment is in use and the air conditioning system cycles on. The resulting "integrated" demand for this 15-minute period is illustrated below.



DEMAND (kW):

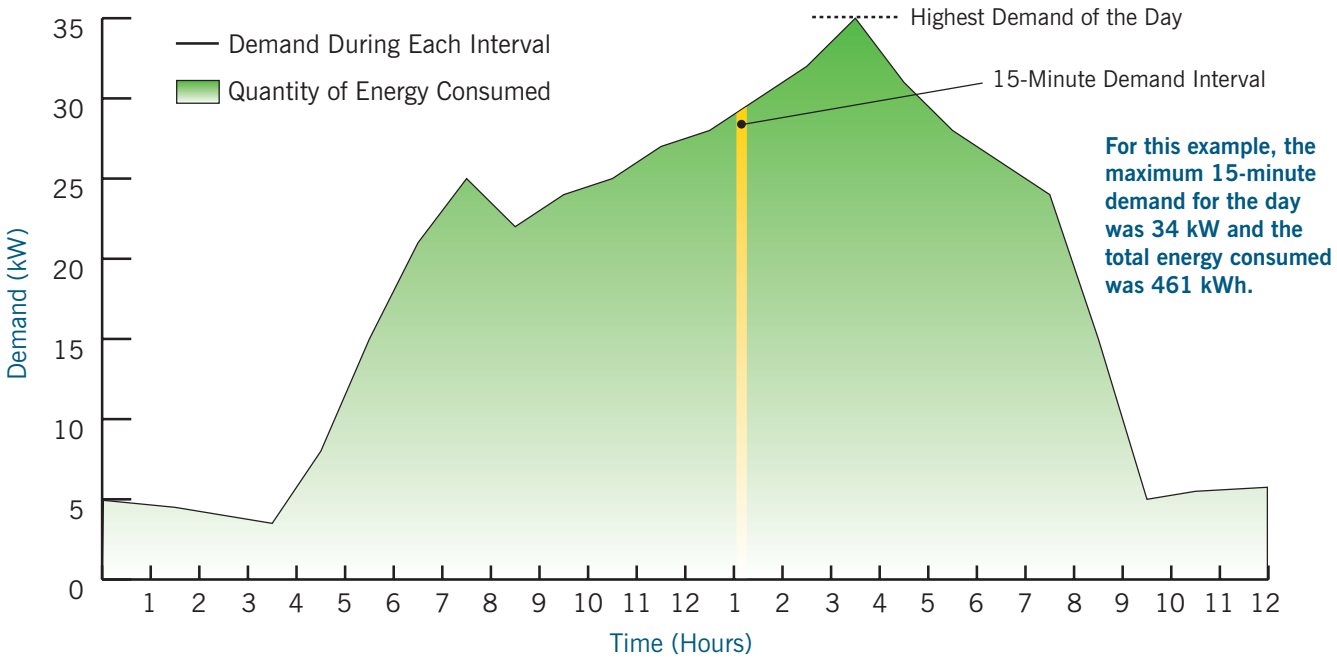
Lights & Cooling		Lights & Equipment		Lights, Equipment & Cooling	
30 kW x $\frac{5 \text{ minutes}}{15 \text{ minutes}}$	+	18 kW x $\frac{5 \text{ minutes}}{15 \text{ minutes}}$	+	36 kW x $\frac{5 \text{ minutes}}{15 \text{ minutes}}$	=
10 kW	+	6 kW	+	12 kW	= 28 kW

Even though the maximum demand was 36 kW, the "integrated" demand is only 28 kW for this 15-minute interval.

EXAMPLE: 24-HOUR INTEGRATED DEMAND PROFILE

Continuing with our small-office example, demand is low in the early morning hours, since most of the equipment is off. Maybe only a few exterior lights and the security system are on. As the business day begins, all the lights and equipment are turned on and workers begin to arrive, producing a small peak in the early hours. Then, as the outside temperature warms, the need for cooling inside the office increases, and the cooling system has to respond.

Note the highlighted area between 1 p.m. and 1:15 p.m. This represents the 15-minute interval discussed in the previous example. Demand finally reaches a peak at about 4 p.m. Then, as business winds down, the outside temperature cools and the cooling system begins to cycle on and off for longer intervals, demand begins to drop. After the business closes down for the evening, demand returns to its minimal level.



See the Glossary on page 18 for definitions of terms, appearing in bold.

HOW TO READ YOUR BILL STATEMENT : PAGE 1

The first page of your bill contains remittance information, general account information, and a summary of your energy consumption and charges.

1. **Remittance Document**
   This section of the bill is your remittance document. Please return it to Duke Energy with your payment, indicating the amount enclosed so that we can properly apply your payment to your account.

2. **Name and Address**
   This is the name on the account and the address where service is provided.

3. **Customer Service**
   Call us for information about your account or any of our programs or services. If you have switched to an alternative electric generation supplier, this section also contains the contact information for that supplier.

4. **Account Number**
   This is the Duke Energy account number for the meter billed on this statement.

5. **Payment and Billing Information**
   This tells you where to send your payment, as well as information regarding the timing of payments, meter readings and bill preparation.

6. **Energy Consumption Summary**
   This is a summary of your energy consumption for the billing period covered by this statement.

   - Meter numbers are provided for both gas and electric service, along with the dates your meters were read and the number of days between meter readings.
   - Previous and present meter readings are provided so that you can verify your energy consumption.
   - In some cases, the meter registers only a portion of the kWhs used, and a multiplier is used to determine actual usage. The multiplier, if applicable, is shown here on your billing statement.
   - Your energy usage, or consumption, is the difference between your present and previous meter readings. Electric consumption is measured in kilowatt hours (kWh), and gas consumption is measured in hundreds of cubic feet (CCF). Your peak electric demand for the month is measured in kilowatts (kW).

7. **Summary of Gas Charges**
   This section provides a summary of the charges relating to your gas consumption, including the rate code used to compute your gas charges. Duke Energy assigns the rate code based on our **tariffs** on file with the Public Utilities Commission of Ohio (PUCO). An explanation of the component charges of the rate code appears on page 2 of the bill.

   If you have switched your gas supply to an alternative supplier that allows Duke Energy to bill you on their behalf, this section also summarizes your alternative supplier's rate code and charges.

8. **Summary of Electric Charges**
   This section provides a summary of the charges relating to your electric consumption, including the rate code used to compute your electric charges. If you are billed under a rate code that includes a demand ratchet, a notation will indicate if your billing demand is based on the demand ratchet.

   If you have switched your generation supply to an alternative supplier that allows Duke Energy to bill you on their behalf, this section also summarizes your alternative supplier's rate code and charges.

9. **Current Billing**
   This section summarizes your current billing and payment information. The amount due to Duke Energy from your previous bill is listed first, followed by the amounts you have paid since your last billing statement, any returned-check charges, late-payment fees or other adjustments – this results in the Balance Forward. Added to the Balance Forward are your Current Gas Charges and Current Electric Charges, resulting in the Current Amount Due to Duke Energy.

10. **Bill Messages**
    This section helps you understand your bill and find more information.

See the Glossary on page 18 for definitions of terms, appearing in bold.

1

Account Number 0000-1234-05-6

Due Date	Amount Due
Feb 24, 2012	$2,568.54

$ _____ HeatShare Contribution (for Customer Assistance)

$ _____ Amount Enclosed

Acme Enterprises
Attn: Accounting Dept
123 Main St
Cincinnati OH 45202-4109

P.O. Box 1326
Charlotte NC 28201-1326

400 00001234567 00123456789 123456789 00001234567

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2 3 4

Name /Service Address	For Inquiries Call	Account Number
Acme Enterprises Attn: Accounting Dept 123 Main St Cincinnati OH 45202-4109	Duke Energy 1-877-632-3853 For Account Services, please contact Mary Smith Gas Alternative Supplier 1-800-555-5555 Electric Alternative Supplier 1-877-555-5555	0000-1234-05-6

5

Mail Payments To	Account Information	
PO Box 1326 Charlotte NC 28201-1326	Payments after Feb 02 not included Last payment received Jan 20	Bill prepared on Feb 02, 2012 Next meter reading Mar 01, 2012

6

Meter	Number	Reading Date From	To	Days	Meter Reading Previous	Present	Multi	Usage	Actual kW
Gas	000123456	Jan 03	Feb 01	29	87088	88075	1	987	
Elec	012345678	Jan 03	Feb 01	29	5366	5486	160	19,200	44.80

7

Gas - Commercial

Usage - 987 CCF	
Duke Energy - Rate FTLT	$ 352.80
Gas Alternative - Rate VL06	501.79
Supplier	
Current Gas Charges	**$ 854.59**

8

Electric - Commercial

Usage - 19,200 kWh	57.12 kW*
Duke Energy Rate - Rate DS01	$ 659.87
Electric Alternative - Rate DE59	
Supplier	1,054.08
Current Electric Charges	**$ 1,713.95**

* Based on 85% of Previous Maximum Actual Demand of 67.20 kW Billed in Aug 11.

9

Current Billing

Amt Due - Previous Bill	$ 3,093.03
Payment(s) Received	3,093.03 cr
Balance Forward	**0.00**
Current Gas Charges	854.59
Current Electric Charges	1,713.95
Current Amount Due	**$ 2,568.54**

10 This month's Gas Cost Recovery (GCR) charge for customers purchasing their natural gas from Duke Energy is $0.5455329 per CCF, which includes a base GCR of $0.5201000 and Ohio excise tax of $0.0254329.

Due Date	Amount Due	After Feb 24, 2012
Feb 24, 2012	$2,568.54	$2,591.26

HOW TO READ YOUR BILL STATEMENT : PAGE 2

Page 2 and subsequent pages of your bill contain the details of your gas and electric charges. Here, Duke Energy provides a breakdown of your consumption and the various charges relating to the rate code that appears on page 1.

11. Alternative Gas and Electric Supplier
If you have switched your gas supply to an alternative supplier who bills you directly, we provide that alternative supplier's contact information here.

12. Natural Gas Consumption
Here you will find information on your natural gas consumption, including your gas meter number, consumption (in CCF) and the billing period.

13. Details of Gas Charges
This section presents the information we use in computing your gas charges. The rate code is provided, along with an itemized list of its components.

- Most rate codes include a Fixed Delivery Service Charge, which is independent of your gas consumption. This charge is intended to cover Duke Energy's fixed costs of rendering gas service, such as maintaining our gas mains, billing and customer care.

- Your usage-dependent charges include a basic Usage-Based Charge. Gas Delivery Riders and Applicable Surcharges consist of various charges and credits approved by the PUCO.

14. Alternative Supplier Charges
If Duke Energy bills you on behalf of an alternative natural gas supplier, those charges appear here, along with the alternative supplier's rate code, rate and total charge.

15. Total Current Gas Charges
This will match the Current Gas Charges on page 1 of your bill.

16. Electric Consumption and Demand
Here you will find information on your electric usage, including your electric meter number, electricity consumption (in kilowatt-hours), peak monthly demand (in kilowatts) and the billing period.

If applicable, meter-specific multipliers used to compute your energy consumption and peak demand also appear here. If your rate code includes a **metering adjustment** or power factor adjustment, that adjustment will appear here as well. If your billing demand is subject to the demand ratchet, that information will also appear here.

17. Details of Electric Charges
This section presents the information we use in computing your electric charges. The rate code is provided, along with an itemized list of its components.

- Most rate codes include a fixed Distribution Customer Charge, which is independent of your electric energy consumption or peak demand. This charge is intended to cover Duke Energy's fixed costs of rendering electric service, such as billing and customer care.

- Your usage-dependent charges include charges for use of Duke Energy's local distribution system and other electric delivery riders approved by the PUCO.

  Generation Charges – These are the basic charges for your energy consumption and peak demand. Effective Jan. 1, 2012, Duke Energy no longer generates the power that it delivers to its generation customers, but instead procures this power in **competitive auctions**.

  Generation Riders – Include various charges and credits approved by the PUCO; billed to both choice and non-choice customers.

- If Duke Energy provides your electric generation service, that is, you have not switched to an alternative supplier, your generation charges are listed here and include:

  Rider RC – The Retail Capacity charge recovers the cost of **generation capacity** purchased by Duke Energy in competitive auctions. This charge does not apply to customers who purchase their power from alternative suppliers.

  Rider RE – The Retail Energy charge recovers the cost of energy purchased by Duke Energy in competitive auctions. This charge does not apply to customers who purchase their power from alternative suppliers.

  Rider AERR – The Alternative Energy Recovery Rider recovers Duke Energy's costs of complying with the state of Ohio's **alternative energy requirements**. This charge does not apply to customers who purchase their power from alternative suppliers.

18. Alternative Supplier Charges
If Duke Energy bills you on behalf of an alternative generation supplier, those charges appear here, along with the alternative supplier's rate code and rate.

19. Total Current Electric Charges
This will match the Current Electric Charges on page 1 of your bill.

20. Energy Usage Graphs
For your convenience, Duke Energy provides a graph of your electric and gas consumption for the past year. You can use this information to analyze your energy consumption and look for ways to use energy more efficiently in your business and reduce your energy bill.

Please ask your account manager about Duke Energy's Smart $aver® incentive program. Smart $aver provides cash incentives to help offset the cost of implementing energy efficiency measures, such as lighting retrofits, variable frequency drives, food service equipment and more.

See the Glossary on page 18 for definitions of terms, appearing in bold.

Name	Service Address	Account Number
Acme Enterprises Attn: Accounting Dept	123 Main St Cincinnati OH 45202-4109	0000-1234-05-6

11 If you have any questions about electric supplier service received from Alternative Electric, please call them at 1-877-555-5555 or write to: 1234 Main Street, Anywhere, IN 55555.

If you have any questions about gas supplier service received from Alternative Gas, please call them at 1-800-555-5555 or write to: 1234 Main Street, Anywhere, IN 55555.

Explanation of Current Charges

12 **Gas**
Meter - 000123456

CCF Usage - 987

Jan 03 - Feb 01
29 Days

Duke Energy 13
Rate FTL1 - Firm Transportation - Large

Fixed Delivery Service Charge	$ 180.00	
Usage-Based Charge		
987 CCF @ $0.10483000	103.47	
Gas Delivery Riders	71.55	
Applicable Surcharge		
987 CCF @ $0.00225290cr	2.22 cr	352.80

Alternative Gas Supplier 14
Rate VL06 - Alternative Gas Supplier

Gas Supplier Energy Chrg		
987 CCF @ $0.50840000	$ 501.79	501.79

Total Current Gas Charges **$ 854.59** 15

16 **Electric**
Meter - 012345678

Multipliers - 160
kWh Usage - 19,200
Demand Read - 00.28
Actual kW - 44.80

Billed kW - 57.12*

Jan 03 - Feb 01
29 Days

* Based on 85% of Previous Maximum Actual Demand of 67.20 kW Billed in Aug 11.

Duke Energy 17
Rate DS01 - Distribution Service

Distribution-Customer Chg	$ 40.00	
Delivery Charges		
Distribution-Demand Chg		
57.12 kW @ $4.68480000	267.60	
Delivery Riders	195.22	
Total Delivery Charges	$ 462.82	
Generation Charges		
Generation Riders	157.05	
Total Generation Charges	$ 157.05	659.87

Alternative Electric Supplier 18
Rate DE29 - Alternative Electric Supplier

Supplier Energy Charge		
19,200 kWh @ $0.05490000	$ 1,054.08	1,054.08

Total Current Electric Charges **$ 1,713.95** 19

Customers who use Duke Energy Ohio to supply their electric commodity will also see these three riders on their bill:

- **Rider RC** - The Retail Capacity charge
- **Rider RE** - The Retail Energy charge
- **Rider AERR** - The Alternative Energy Recovery Rider

Descriptions of these riders can be found on page 14.

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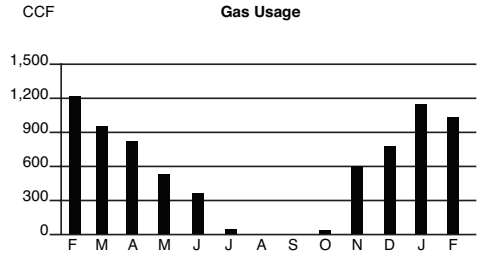
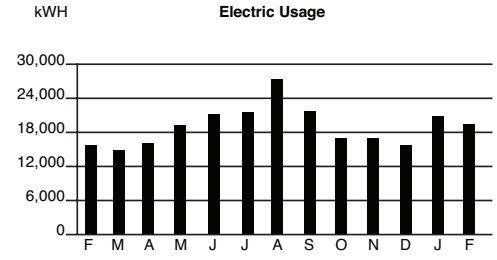


Calculations based on most recent 12 month history
Total Usage 6,246
Average Usage 521



Calculations based on most recent 12 month history
Total Usage 225,280
Average Usage 18,773

	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Gas	1,227	954	846	552	321	28	0	0	52	597	776	1,133	987
Electric	15,360	14,400	15,200	19,040	20,000	19,840	27,200	21,440	16,320	16,640	15,040	20,960	19,200

PRICING OPTIONS

A number of rate schedules are available for business and institutional customers. Other pricing options may be available based on your specific circumstances – please check with your account manager for more information.

PRINCIPAL ELECTRIC PRICING OPTIONS

RATE	DESCRIPTION	DEMAND CHARGES?	ENERGY CHARGES?	DEMAND RATCHET?	POWER FACTOR ADJUSTMENT?
Rate DM Secondary Distribution Service, Small	Applicable to customers whose average monthly demand is 15 kilowatts or less.	No	Yes	No	No
This tariff schedule is also applicable to recreation facilities that are promoted, operated and maintained by nonprofit organizations, where electric service is separately metered.					
Rate DS Service at Secondary Service Voltage	Available to customers who use electricity at standard distribution voltages of less than 12,500 volts and whose monthly demand is greater than 15 kW.	Yes	Yes	Yes	Yes
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. Minimum Bill Provision – The minimum bill shall be 85 percent of the highest monthly kW demand as established in the summer period and effective for the succeeding 11 months, plus the Distribution Customer Charge. In no case, however, shall the minimum bill be less than the Distribution Customer Charge.					
Rate DP Service at Primary Distribution Voltage	Available to customers who use electricity at nominal primary distribution system voltages of 12,500 volts or 34,500 volts	Yes	Yes	Yes	Yes
Minimum Bill Provision – The minimum bill shall be: 85 percent of the highest monthly kW demand as established in the summer period and effective for the succeeding 11 months, plus the Distribution Customer Charge. In no case, however, shall the minimum bill be less than the Distribution Customer Charge.					
Rate TS Service at Transmission Voltage	Available to customers who use electricity at 69 kilovolts or higher	Yes	Yes	Yes	No
Minimum Bill Provision – The minimum charge shall be not less than 50 percent of the highest demand charge established during the preceding 11 months, or the billing of 1,000 kilovolt amperes, whichever is higher.					

PRINCIPAL GAS PRICING OPTIONS

RATE	DESCRIPTION	COMMENTS
Rate GS-S General Transportation Service, Small	Available to nonresidential customers using 4,000 CCF or less during the prior calendar year.	
Rate GS-L General Transportation Service, Large	Available to nonresidential customers using more than 4,000 CCF during the prior calendar year.	
Rate FT-S Firm Transportation Service, Small	Available to nonresidential customers using 4,000 CCF or less during the prior calendar year.	
Rate FT-L Firm Transportation Service, Large	Available to nonresidential customers using more than 4,000 CCF during the prior calendar year and who are supplied by an alternative supplier.	• Monthly administrative charge • Transportation charge • Plus Applicable Riders
Rate IT Interruptible Transportation Service	Available to customers using a minimum of 10,000 CCF per month during each of the seven consecutive billing periods beginning with first meter reading taken on or after April 1, and who are supplied by an alternative supplier.	• Monthly administrative charge • Transportation charge • Rate IMBS throughput charge • Plus Applicable Riders • Must be able to drop load to firm amount contracted; human needs customers must have alternative fuel capabilities

GLOSSARY OF TERMS

ALTERNATIVE ENERGY REQUIREMENTS

The state of Ohio requires electric utilities to generate or procure a percentage of the power they deliver from alternative sources of energy, such as solar or wind. Under these requirements, which escalate each year, utilities must generate and/or procure 22 percent of their delivered energy from alternative sources by 2025.

AMPERE

Unit of measurement of electric current.

COMPETITIVE AUCTIONS

Under Duke Energy's 2015-2018 Electric Security Plan, Duke Energy purchases the power it provides to its generation customers through auctions, to ensure that the lowest price is paid for energy and generation capacity. Auctions will occur throughout the Electric Security Plan period, resulting in a generation price that is a blend of market prices over time.

DEMAND

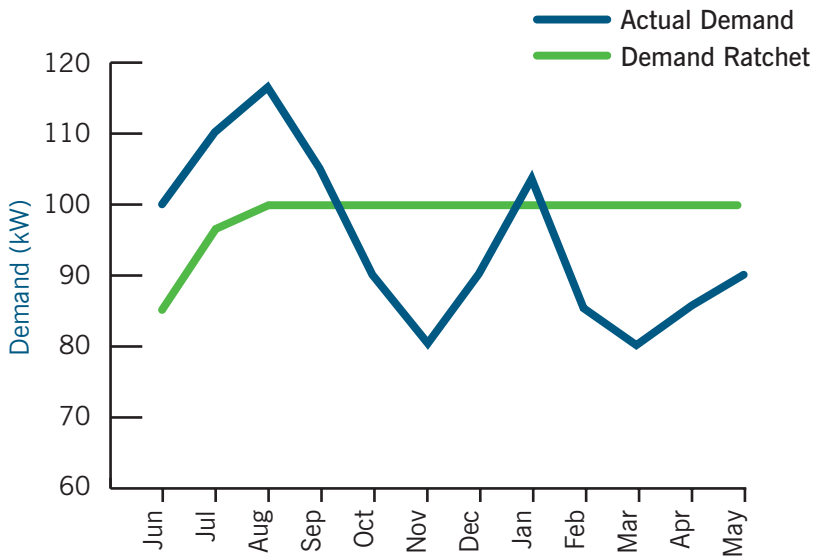
The rate at which energy is delivered, measured in kilowatts (1,000 watts) and averaged over 15-minute intervals.

DEMAND RATCHET

Demand based on actual demand or 85 percent of highest recorded demand between June and September billing for the next 11 months, whichever is greater. The ratchet applies to Primary and Secondary Distribution Service and Transmission Service, and is billed because Duke Energy must maintain and invest in more generation, transmission and distribution equipment to meet high short-term needs, which peak in the summer months.

The chart below illustrates the application of the demand ratchet.

The monthly demand ratchet has been calculated to be 85 percent of the highest peak demand for the previous summer. This customer's peak summer demand occurred in August, at 115 kW, so their demand ratchet is set at 85 percent of that, or 97.5 kW, for the next 11 months. Because the customer's actual demand was lower than the ratchet in all subsequent months, other than January, their demand charges will be based on the demand ratchet. In January, this customer's demand charge will be based on their actual demand, because it exceeds the demand ratchet.



ENERGY
The basic unit of electric energy equal to one kilowatt of power supplied to or taken from an electric circuit for one hour. Measured in kilowatt-hours.

GAS COST RECOVERY
The cost (per 100 cubic feet) of gas we purchase from our suppliers. This rate varies periodically as our gas prices increase or decrease. Duke Energy makes no profit on this charge, since it is based on the actual cost we pay our suppliers for the gas we purchase and resell.

GENERATION CAPACITY
The ability to generate or curtail the consumption of electric energy. Duke Energy belongs to the regional transmission organization PJM Interconnection Inc. PJM requires Duke Energy to have enough generation capacity to meet its peak-load requirements, which typically occur on hot summer days.

KILOVOLT AMPERE (KVA)
1,000 amperes.

METERING ADJUSTMENT
For customers taking service under Duke Energy's Primary Distribution Service, Duke Energy may meter at either secondary or primary voltage, as circumstances warrant. If we meter at primary voltage, the kilowatt-hours registered on the customer's meter will be reduced 1.5 percent for billing purposes.

MULTIPLIER
Factor used with certain meter types to determine actual usage.

POWER FACTOR
The ratio of real power (kW, demand) to total apparent power (kVa) supplied at any given point in time in an electrical circuit. Usually expressed as a percentage. The power factor applies to rates DS and DP. For those rates, where a customer's power factor falls below 90 percent, the demand, or kW, used in determining the demand charge is adjusted to the demand necessary to achieve a 90 percent power factor.

TARIFF
A document filed by a utility with a regulatory commission, listing the rates the utility will charge to serve its customers, along with terms and conditions.

VOLT
Unit of measurement of electromotive force.

WATT
The electrical unit of real power. The rate of energy transfer equivalent to one ampere flowing under an electrical pressure of one volt at 100 percent power factor. The rate of energy consumption.

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