
RATE DS

SERVICE AT SECONDARY DISTRIBUTION VOLTAGE

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.

For customers taking service under any or all of the provisions of this tariff schedule, this same schedule shall constitute the Company's Standard Service Offer.

TYPE OF SERVICE

Alternating current 60 Hz, single phase or three phase, at Company's standard distribution voltage.

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):

1. Distribution Charges

(a) Customer Charge per month

Single Phase Service	\$ 7.50
Single and/or Three Phase Service	\$15.00

(b) Demand Charge

All kilowatts	\$ 3.7908 per kW
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2. Applicable Riders

The following riders are applicable pursuant to the specific terms contained within each rider:

Sheet No. 51, Rider AAC, Annually Adjusted Component Rider
Sheet No. 52, Rider DSMR, Demand Side Management Cost Recovery Rider
Sheet No. 53, Rider FPP, Fuel and Economy Purchased Power Rider
Sheet No. 54, Rider IMF, Infrastructure Maintenance Fund Rider
Sheet No. 55, Rider RSC, Rate Stabilization Charge Rider
Sheet No. 56, Rider SRT, System Reliability Tracker
Sheet No. 57, Rider TCR, Transmission Cost Recovery Rider
Sheet No. 58, Rider DRI, Distribution Reliability Investment Rider
Sheet No. 59, Rider RSS, Rate Stabilization Surcredit Rider
Sheet No. 81, Rider EER, Energy Efficiency Revolving Loan Program Rider
Sheet No. 83, Rider OET, Ohio Excise Tax Rider
Sheet No. 84, Rider RTC, Regulatory Transition Charge Rider
Sheet No. 85, Rider SC, Shopping Credit Rider
Sheet No. 86, Rider USR, Universal Service Fund Rider
Sheet No. 103, Rider MSR-E, Merger Savings Credit Rider-Electric

NET MONTHLY BILL (Contd.)

3. Market Price Generation Charges – Market Based Standard Service Offer

(a) Demand Charge	
First 1,000 kilowatts	\$6.5088 per kW
Additional kilowatts	\$5.1488 per kW
(b) Energy Charge	
Billing Demand times 300	\$0.016640 per kWh
Additional kWh	\$0.013826 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. For customers who are procuring their energy supply from a Certified Supplier and receiving a shopping credit on December 31, 2004, the Generation Charges shown below will continue to apply until December 31, 2005.

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 following Generation Charges apply to customers receiving a Shopping Credit during 2005:

(a) Demand Charge	
First 1,000 kilowatts	\$7.6574 per kW
Additional kilowatts	\$6.0574 per kW
(b) Energy Charge	
Billing Demand times 300	\$0.028568 per kWh
Additional kWh	\$0.016366 per kWh

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.

MINIMUM BILL PROVISION

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.

METERING

The Company may meter at secondary or primary voltage as circumstances warrant. If the Company elects to meter at primary voltage, the kilowatt-hours registered on the Company's meter will be reduced one and one-half (1.5) percent for billing purposes.

DEMAND

The demand shall be the kilowatts derived from the Company's demand meter for the fifteen-minute period of customer's greatest use during the billing period, as determined by the Company, adjusted for power factor, as provided herein. At the Company's option, a demand meter may not be installed if the nature of the load clearly indicates the load will have a constant demand, in which case the demand will be the calculated demand.

In no event will the billing demand be taken as less than the higher of the following:

- a) 85% of the highest monthly kilowatt demand as established in the summer period and effective for the next succeeding eleven (11) months; or
- b) One (1) kilowatt for each single phase meter and five (5) kilowatts for each three phase meter.

The Company may re-determine customer's billing demand at any time in recognition of a permanent change in load due to such occurrences as the installation of load control equipment or a temporary change due to malfunctions of such equipment.

If a customer requests reconnection of an account within twelve (12) months of a disconnection order, the customer's demand record for the period of disconnection will be re-established for purposes of billing and administration of the preceding clause.

For purposes of administration of the above clause, the summer period is defined as that period represented by the Company's billing for the four (4) revenue months of June through September. The winter period is defined as that period represented by the Company's billing for the eight (8) revenue months of January through May and October through December.

POWER FACTOR ADJUSTMENT

The power factor to be maintained shall be not less than 90% lagging. If the Company determines customer's power factor to be less than 90%, the billing demand will be the number of kilowatts equal to the kilovolt amperes multiplied by 0.90.

Power factor may be determined by the following methods, at the Company's option:

- a) Continuous measurement
 - the power factor, as determined during the interval in which the maximum kW demand is established, will be used for billing purposes; or
- b) Testing
 - the power factor, as determined during a period in which the customer's measured kW demand is not less than 90% of the measured maximum kW demand of the preceding billing period, will be used for billing purposes until superseded by a power factor determined by a subsequent test made at the direction of Company or request of customer.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable. The late payment charge is not applicable to unpaid account balances for services received from a Certified Supplier.

TERMS AND CONDITIONS

The initial term of contract shall be for a minimum period of three (3) years terminable thereafter by a minimum notice of either the customer or the Company as prescribed by the Company's Service Regulations.

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

If the Company offers to provide the necessary facilities for transmission service, in accordance with its Service Regulations, an annual facilities charge, applicable to such additional facilities, is established at twenty (20) percent of actual cost. The annual facilities charge shall be billed in twelve monthly installments to be added to the demand charge.

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 the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.