

Important Notice About Your Electric Rates

In late October, Duke Energy reached an agreement with the Kentucky Attorney General and other parties on an increase in electric base rates. The rate case was approved by the Kentucky Public Service Commission in December and represents the first increase in nearly 15 years.

The new rates for Kentucky customers take effect on January 1, 2007. Under the settlement, a typical residential customer using 1,000 kilowatt hours (kwh) can expect to see an increase of approximately \$11.00. Despite the increase, Duke Energy Kentucky rates will still be lower than the Midwest and national averages.

Reasons for the Increase:

- Duke Energy recently invested \$400 million to provide Kentucky customers with a dedicated and reliable supply of electricity.
- Since 1992, \$170 million has been invested in the electric delivery system to meet the energy requirements of a growing population.
- Coal, the primary source of fuel Duke Energy uses to generate electricity, increased by 33 percent over the past five years.

Methods for Lowering Your Bill

We are committed to providing you with options to help lower your Duke Energy bill. At www.duke-energy.com you will find a variety of resources available to aid in managing energy costs.

- **Online Energy Tools** – The *Home Energy Calculator* and *Appliance Calculator* help identify ways to use energy more efficiently.
- **Home Energy House Call** – This in-home energy analysis is conducted by an energy specialist at no cost and includes an energy-efficiency starter kit.
- **Energy Assistance** – Weatherization and financial assistance programs are available for income-qualified customers.
- **Budget Billing** – The Budget Billing program offers customers the convenience of a predictable monthly bill.

To learn more about any of these energy saving resources, visit www.duke-energy.com or call 1.866.2ENERGY.

Thank you for the opportunity to serve you. At Duke Energy, we are dedicated to providing you with reliable, competitively priced service, today and in the future.

