

ELECTRICITY EMERGENCY PROCEDURES
FOR
LONG-TERM FUEL SHORTAGES

APPLICABILITY

In the event of an energy emergency which necessitates curtailment of electricity consumption, Duke Energy Kentucky, Inc. and consumers of electric energy supplied by the Company shall take actions set forth herein, except where the Kentucky Public Service Commission (Commission) or other authority having jurisdiction in the matter orders otherwise.

PROCEDURES

Electricity emergency procedures may be necessary if there is a shortage in the electric energy supply to meet the requirements of consumers of electric energy in the service area of the Company. The procedures set forth the actions to be taken by the Company and consumers of electric energy in the event of a long-term fuel shortage for electric generation jeopardizing electric service to the Company's customers.

I. DEFINITIONS

For purposes of this procedure, the Company has adopted the following definitions:

- A. "electricity priority uses" shall mean the amount of electrical energy necessary for protection of the public's health and safety, and for the prevention of unnecessary or avoidable damage to property at:
1. Residences (homes, apartments, nursing homes, institutions, and facilities for permanent residents or transients);
 2. Hospitals;
 3. Medical and human life support systems and facilities;
 4. Electric power generating facilities and central heating plants serving the public;
 5. Telephone, radio, television, and newspaper facilities;
 6. Local and suburban transit systems and air terminal facilities;
 7. Police and fire fighting facilities;

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DEFINITIONS (Contd.)

8. Water supply and pumping facilities;
 9. Sanitary service facilities for collection, treatment, or disposal of community sewage;
 10. Federal facilities essential to national defense or energy supply;
 11. Production facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuel, and for fuel refineries;
 12. Pipeline transmission and distribution facilities for natural gas, artificial or synthetic gas, propane, and petroleum fuels;
 13. Coal mines and related facilities;
 14. Production, processing, distribution, and storage facilities for dairy products, meat, fish, poultry, eggs, produce, crackers, bread, and livestock and poultry feed;
 15. Buildings and facilities limited to uses protecting the physical plant and structure, appurtenances, product inventories, raw materials, livestock, and other personal or real property; and
 16. Such other similar uses as may be determined by the Kentucky Public Service Commission (hereinafter "Commission").
- B. "non-priority uses" shall mean all uses of electricity other than priority uses.
- C. "consumer" shall mean that person or entity who consumes electric energy from the Company.
- D. "normal burn days" shall mean the number of days of coal supply available for operation of the generating facilities of the Company's supplier, Duke Energy Ohio.
- E. "normal usage" shall mean electric energy consumption by a consumer during the comparable period during the previous year adjusted for weather or other major changes in usage.

The Company encourages consumers who have electric priority uses to implement the actions required herein to the extent reasonably possible. Consumers who have electric priority uses or have critical equipment or processes should consider the installation of emergency generation equipment if continuity of service is essential.

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II. LONG-TERM FUEL SHORTAGE

- A. Upon the commencement of a coal miners' strike, officially declared or otherwise, or other happening which could cause a long-term fuel shortage, the Company shall curtail non-essential use of energy on premises controlled by the Company including parking and large area lighting and interior lighting except lighting required for security and safety, and other uses of energy both during and outside normal business hours.
- B. Voluntary Curtailment:
1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to forty (40) days, the Company shall request voluntary conservation by all consumers of at least 25% of all non-priority use of electric.
 2. The Company shall implement a public appeals campaign through the news media to its consumers making appropriate suggestions for achieving usage reductions. These reductions should include but not be limited to the following:
 - (a) Reduce outdoor lighting;
 - (b) Reduce general interior lighting levels to minimum levels to the extent this contributes to decreased electricity usage;
 - (c) Reduce show window and display lighting to minimum levels to protect property;
 - (d) Reduce the number of elevators operating in office buildings during non-peak hours;
 - (e) Reduce electric water heating temperature to minimum level.
 - (f) Minimize work schedules for building cleaning and maintenance, restocking, etc., in order to eliminate the necessity for office or commercial and industrial facilities to be open beyond normal working hours;
 - (g) Minimize electricity use by maintaining a building temperature of no less than 78 degrees Fahrenheit by operation of cooling equipment and no more than 68 degrees Fahrenheit by operation of heating equipment;
 - (h) Encourage, to the extent possible, daytime scheduling of entertainment and recreational facilities.

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II. LONG-TERM FUEL SHORTAGE (Contd.)

3. The Company, through the issuing of periodic bulletins to the news media, shall inform the general public of:
 - (a) The coal supply level of its supplier, at least weekly;
 - (b) The actions which will be required of consumers if it becomes necessary to initiate mandatory curtailment of electric energy and the procedures to be followed prior to and during the period electric usage is restricted.

C. Mandatory Curtailment - Stage One:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to thirty (30) days, consumers shall curtail the use of electricity as follows:
 - (a) All previous measures shall be continued except as amended below;
 - (b) All non-priority outdoor lighting is prohibited;
 - (c) All public, commercial, and industrial buildings shall minimize electricity use by maintaining a building temperature of no less than 85 degrees Fahrenheit by the operation of cooling equipment and no more than 60 degrees Fahrenheit by the operation of heating equipment, except where health requirements or equipment protection deem such measures to be inappropriate;
 - (d) All public, commercial, and industrial buildings shall reduce interior lighting to the minimum levels essential for continued work and operations to the extent this contributes to decreased use of electric energy.

D. Mandatory Curtailment - Stage Two:

1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty-five (25) days, consumers shall curtail the use of electricity as follows:
 - (a) All previous measures shall be continued except as amended below;

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- (b) All consumers shall discontinue non-priority use of electricity on two days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 25% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage one levels during other days of the week.

E. Mandatory Curtailment - Stage Three:

- 1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to twenty (20) days, consumers shall curtail the use of electricity as follows:
 - (a) All previous measures shall be continued except as amended below;
 - (b) All consumers shall discontinue non-priority use of electricity on three days of each week. Consumers may, in the alternative, elect to reduce total electricity consumption by 50% below normal usage. Consumers choosing the second option must keep records sufficient to document the reduction. The Company shall inform consumers of the days that non-priority use shall be discontinued. Consumers shall not increase non-priority uses above mandatory stage two levels during other days of the week.

F. Mandatory Curtailment - Stage Four:

- 1. If the Company is notified by its supplier that the supplier's normal burn days has diminished to fifteen (15) days, all consumers shall discontinue all non-priority use of electricity on all days of each week.

III. The Company shall take such measures in connection with its facilities as are necessary and reasonable for the implementation of these procedures.

Where the integrity of the Company's electric system is in jeopardy, the Company may take additional measures it deems appropriate, such as voltage reduction up to 5% and interruption of selected distribution circuits on a rational basis.

IV. PENALTIES

Failure of a consumer to comply with the Company's mandatory curtailment stages may subject that consumer's electric service to disconnection by the Company. Where the Company discovers that a consumer has exceeded its directed usage limitation by more than 15% in a thirty (30) day period, the Company shall notify the Commission that, on the third working day after said discovery, it shall disconnect electric service to such consumer until the fuel supply emergency is relieved.

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