

**Glossary for  
Duke Energy Ohio, Inc.’s  
Percentage of Income Payment Plan  
 (“PIPP”) RFPs**

This Glossary applies to the RFPs for Duke Energy Ohio, Inc. (Duke Energy Ohio) to procure competitive retail electric service for percentage of income payment plan ("PIPP") program customers of Duke Energy Ohio. Some terms contained in this Glossary may also be defined in the Master Percentage of Income Payment Plan Supply Agreement (Master PIPP Supply Agreement). When there is a conflict between this Glossary and the Master PIPP Supply Agreement, the Master PIPP Supply Agreement will take precedence.

**Advisor** means a person or persons who will be advising or assisting the Registered Bidder with respect to bidding strategy, estimation of the value of the product, or estimation of the risks associated with serving PIPP Load.

**Ancillary Services** has the meaning set forth in the PJM Agreements.

**Applicant** means a Party that has submitted or indicated that it is going to submit a PIPP Supplier Application.

**Applicant's Legal Representative in Ohio** means legal counsel or a representative agent who has an address in Ohio and is authorized and agrees to accept service of process on the Applicant's behalf.

**Application Website** means the website through which a bidder submits the online PIPP Supplier Application and any required attachments. Bidders will be provided logon credentials for the application website upon submitting an expression of interest to the PIPP RFP Manager.

**Authorized Delegate (Delegate)** means the Person authorized by the Applicant to be the point of contact for the PIPP RFP Manager when so designated by the Authorized Representative.

**Authorized Representative** means a designated person who is authorized to represent the Applicant in the RFP. The Authorized Representative must ensure that only authorized persons act on behalf of the Applicant in the RFP and is responsible for ensuring that no Confidential Information is disclosed improperly.

**Benchmark Price** for the PIPP RFP will be set pursuant to the PUCO order following the last Standard Service Offer ("SSO") competitive bidding process ("CBP") that will be used to establish the Benchmark Price.

**Bid Price** is the price at which the Bidder agrees to serve the PIPP Load offered at the PIPP RFP.

**Bid Submission Form** contains a Bidder Information Section and the Bid Price as offered by the Bidder.

**Bid Window** means the period of time when Registered Bidders can submit their bids in the RFP.

**Bidding Agreement** means an arrangement involving joint or coordinated bidding with any other Party.

**Bidding Consortium** means a group of separate businesses or business people joining together to submit joint bids in the RFP.

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**Bidding Website** means the secure Website used by Registered Bidders to participate in the RFP. The URL address for the Bidding Website will be provided to Registered Bidders.

**Business Day** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Capacity** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Charge** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Commission (PUCO)** means the Public Utilities Commission of Ohio.

**Company** means Duke Energy Ohio.

**Competitive Retail Electric Service Provider (CRES Provider)** has the same meaning as CRES Supplier.

**Competitive Retail Electric Service Supplier (CRES Supplier)** means a Person that is duly certified by the PUCO to offer and to assume the contractual and legal responsibility to provide Standard Service Offer pursuant to retail open access programs approved by the PUCO to Customers who are not SSO Customers of the Company.

**Confidential Information** means two types of information. Confidential information relative to bidding strategy means information relating to a Bidder's bid, written or oral, which if it were to be made public or known to another Bidder would be likely to have an effect on any of the bids that another Bidder would be willing to submit in the RFP. Confidential information regarding the RFP means information, written or oral, that is not released publicly by the PUCO or the PIPP RFP Manager and that a Bidder acquires as a result of participating in the RFP, which if it were to be made public could impair the integrity of the current or future RFPs, impair the ability of the Company to hold future RFPs, harm consumers, or injure Bidders or Applicants.

**Costs** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Credit Documents** means Letter of Credit, Letter of Intent to Provide a Guaranty, Letter of Reference, or any other credit support document.

**Credit Limit** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Credit Representative** means the Applicant's designated in-house Credit Representative who can answer questions or provide information about the Applicant's credit with respect to the requirements for the RFP.

**Customer** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Day(s)** means to Business Day(s), unless noted otherwise.

**Defaulting Party** has the meaning set forth in Section 7.1 of the Master PIPP Supply Agreement.

**Delegate (Authorized Delegate)** means a Person authorized by the Applicant to be the point of contact for the PIPP RFP Manager when so designated by the Authorized Representative.

**Delivery Period** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

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**Effective Date** has the meaning set forth in the preamble of the Master PIPP Supply Agreement.

**Energy** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**FERC** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Full Requirements Service** includes Energy, Capacity, market-based transmission service and market-based transmission ancillaries, and any other LSE service or other service as may be required by PJM to serve the PIPP Load of Duke Energy Ohio.

**Goodwill** means an intangible asset that is the amount by which the purchase price of an acquired entity exceeds its net tangible asset value.

**Governmental Authority** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Guarantor** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Guaranty** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**ICR Collateral** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**ICT Guaranty** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Independent Credit Requirement (ICR)** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Independent Credit Threshold (ICT)** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Information Website** means <http://www.duke-energyohiopipp-rfp.com/> which is the Website that will be the primary online source of information about the RFPs.

**Joint Venture** means an enterprise entered into by two or more people for profit with the purpose of bidding in the RFP. A Joint Venture has most of the elements of a partnership, such as shared management, the power of each venture to bind the others in the business, division of profits, and joint responsibility for losses. However, unlike a partnership, a Joint Venture anticipates a specific area of activity and/or period of operation, so after the purpose is completed, bills are paid, profits (or losses) are divided, and the Joint Venture is terminated.

**Kilowatt (kW)** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Kilowatt-hour (kWh)** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Legal Representative** means legal counsel or a representative agent who is authorized and agrees to accept service of process on the Applicant's behalf; must have an address in Ohio.

**Letter of Credit** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Letter of Intent to Provide a Guaranty** means a document that may be issued by Qualified Bidder's Guarantor during the PIPP Supplier Application process. The letter indicates that an ICT

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Guaranty will be provided once the Master PIPP Supply Agreement is signed.

**Letter of Reference** means a document that may be issued by a Qualified Bidder's bank during the PIPP Supplier Application process. The letter specifies the amount of revolving credit provided to the Bidder by the bank. The letter also states that there is sufficient unused availability to issue a Letter of Credit for the amount indicated in the Bidder's PIPP Supplier Application.

**Load Serving Entity (LSE)** has the meaning set forth in the applicable PJM Agreements.

**Master Percentage of Income Payment Plan Supply Agreement (Master PIPP Supply Agreement or Agreement)** means the standard contract that will be used by the winning Bidder and Duke Energy Ohio.

**Megawatt (MW)** means one thousand Kilowatts.

**Megawatt-hour (MWh)** means one Megawatt of electric power used over a period of one hour.

**NERC** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Network Integrated Transmission Services (NITS)** has the meaning set forth in the applicable PJM Agreements.

**Notification to Registered Bidders** is sent by the RFP Manager to the prospective Bidder once they become Registered Bidders. The Notification is in the format set forth in the PIPP Supplier Application.

**Party** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Person** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PIPP Customers** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PIPP Load** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PIPP RFP Manager** is the team at CRA International, Inc. d/b/a Charles River Associates ("CRA") that is managing the PIPP RFP process for the FirstEnergy Ohio Utilities.

**PIPP Service** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PIPP Service Offer** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PIPP Supplier** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PIPP Supplier Application** is the application process for prospective Bidders to participate in the RFP.

**PIPP Supplier Application Deadline** is the date specified in the timeline on the Information Website.

**PIPP Supply** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

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**PJM** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PJM Agreements** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PJM Control Area** means the control area recognized by NERC as the PJM Control Area.

**PJM E-Account** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PJM OATT (PJM Tariff)** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PJM Operating Agreement** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Pre-Bid Security** is posted by each Registered Bidder in an amount sufficient to meet the requirement in the PIPP Supplier Application. Pre-Bid Security to be posted by a Registered Bidder must be received before the Bid Window opens and must be in the form of cash or a Pre-Bid Security Letter of Credit.

**Product** is the PIPP Load of Duke Energy Ohio's Delivery Period.

**PUCO** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**PUCO Consultant** means any firm and/or individual(s) retained by the PUCO for purposes of assisting the PUCO or PUCO Staff.

**Registered Bidder** means a Party that has successfully completed the PIPP Supplier Application process.

**Registered User** means a Party that has registered through the Information Website to receive information about the RFP.

**RFP** stands for request for proposals.

**Service Territory** means the geographic areas of the State of Ohio in which the Company serves Customers.

**Special Contract Customers** has the meaning set forth in the prevailing Master PIPP Supply Agreement.

**Term** has the meaning set forth in Section 2.1 of the Master PIPP Supply Agreement.

**UCC** means the Uniform Commercial Code.

**Winning Bidder** means a Registered Bidder that has won the PIPP load.

**Winning Price** means for a Product is the price to be paid to the Winning Bidder for the Product.