ATTACHMENT D

FORM OF GUARANTY

[ICT / TOTAL EXPOSURE AMOUNT] GUARANTY OF

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Guarantor]

 This Guaranty, dated as of \_\_\_\_\_\_\_\_\_, 201\_, is made by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_ [corporation] (the “Guarantor”), for the benefit of Duke Energy Ohio, Inc., an Ohio corporation (“Duke Energy Ohio”). Capitalized terms used herein but not defined herein shall have the meaning given such terms in the Agreement (as defined below).

WHEREAS, Duke Energy Ohio has entered into or will be entering into one or more Master PIPP Supply Agreement (each individually and collectively, the “Agreement”) with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_ [corporation] (the “PIPP Supplier”), which may involve the extension of credit by Duke Energy Ohio. Guarantor hereby acknowledges that it will receive a direct or indirect benefit from the business transactions between the PIPP Supplier and Duke Energy Ohio and the making of this Guaranty.

NOW, THEREFORE, in consideration of, and as an inducement for, Duke Energy Ohio entering into the Agreement, the Guarantor hereby covenants and agrees as follows:

1. **Guaranty**. The Guarantor hereby unconditionally and absolutely guarantees to Duke Energy Ohio the prompt payment when due, subject to any applicable grace period and upon demand in writing from Duke Energy Ohio, of any and all amounts payable by the PIPP Supplier to Duke Energy Ohio arising out of the Agreement in connection with PIPP Supplier’s [ICT / Total Exposure Amount] (the “Obligations”). Notwithstanding the aggregate amount of the Obligations at any time or from time to time payable by the PIPP Supplier to Duke Energy Ohio, the liability of the Guarantor to Duke Energy Ohio shall not exceed \_\_\_\_\_\_\_\_\_\_\_ U.S. Dollars ($\_\_\_\_\_\_\_\_\_).

2. **Nature of Guaranty.** The Guarantor hereby agrees that its obligations hereunder shall be unconditional irrespective of the impossibility or illegality of performance by the PIPP Supplier under the Agreement; the absence of any action to enforce the Agreement; any waiver or consent by Duke Energy Ohio concerning any provisions of the Agreement; the rendering of any judgment against the PIPP Supplier or any action to enforce the same; any failure by Duke Energy Ohio to take any steps necessary to preserve its rights to any security or collateral for the Obligations; the release of all or any portion of any collateral by Duke Energy Ohio; or any failure by Duke Energy Ohio to perfect or to keep perfected its security interest or lien in any portion of any collateral.

This Guaranty is one of payment and not of collection. This Guaranty shall remain in full force and effect or shall be reinstated (as the case may be) if at any time any payment guaranteed hereunder, in whole or in part, is rescinded or must otherwise be returned by Duke Energy Ohio upon the insolvency, bankruptcy or reorganization of the PIPP Supplier or otherwise, all as though such payment had not been made.

3. **Waivers.** The Guarantor hereby expressly waives notice of acceptance of this Guaranty; notice of any Obligation to which this Guaranty may apply or of any security therefor; diligence; presentment; protest; notice of protest, acceleration, and dishonor; filing of claims with a court in the event of insolvency or bankruptcy of the PIPP Supplier; all demands whatsoever, except as noted in Section 1 hereof; and any right to require a proceeding first against the PIPP Supplier.

4. **Effect of Amendments.** Guarantor agrees that Duke Energy Ohio and the PIPP Supplier may modify or amend any or all of the Agreement and that Duke Energy Ohio may, according to the Agreement, delay or extend the date on which any performance must be made under the Agreement, or release the PIPP Supplier from the obligation to so perform or waive any right thereunder, all without notice to or further assent by Guarantor, who shall remain bound by this Guaranty, notwithstanding any such act by Duke Energy Ohio.

5. **Termination.** This Guaranty is intended to be and shall be construed to be a continuing, absolute and unconditional guaranty, and shall remain in full force and effect until all Obligations have been fully and finally performed, at which point it will expire. The Guarantor may terminate this Guaranty upon thirty (30) days prior written notice to Duke Energy Ohio, which termination shall be effective only upon receipt by Duke Energy Ohio of alternative means of security or credit support, as specified in the Agreement and in a form reasonably acceptable to Duke Energy Ohio. Upon the effectiveness of any such expiration or termination, the Guarantor shall have no further liability under this Guaranty, except with respect to the Obligations existing prior to the time the expiration or termination is effective, which Obligations shall remain guaranteed pursuant to the terms of this Guaranty until finally and fully performed.

6. **Notices.** All notices and other communications about this Guaranty must be in writing, must be given by facsimile, hand delivery or overnight courier service and must be addressed or directed to the respective parties as follows:

If to Duke Energy Ohio, to:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Facsimile No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Attn.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If to the Guarantor, to:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Facsimile No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Attn.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notices are effective when actually received by the party to which they are given, as evidenced by facsimile transmission report, written acknowledgment or affidavit of hand delivery or courier receipt.

7. **Representations and Warranties.** The Guarantor represents and warrants to Duke Energy Ohio as of the date hereof that:

1. The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to be performed;
2. The execution, delivery and performance of this Guaranty by the Guarantor have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;
3. All consents, authorizations, approvals, registrations and declarations required for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and
4. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors’ rights or by general equity principles.

8. **Certification**. The Guarantor hereby certifies that it satisfies the Minimum Rating as defined in the Agreement.

9. **Setoffs and Counterclaims.** Without limiting the Guarantor’s own defenses and rights hereunder, the Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which the PIPP Supplier is or may be entitled arising from or out of the Agreement, except for defenses arising out of bankruptcy, insolvency, dissolution or liquidation of the PIPP Supplier.

10. **Subrogation.** The Guarantor will not exercise any rights that it may acquire by way of subrogation until all Obligations shall have been paid in full. Subject to the foregoing, upon payment of all such Obligations, the Guarantor shall be subrogated to the rights of Duke Energy Ohio against the PIPP Supplier, and Duke Energy Ohio agrees to take at the Guarantor’s expense such steps as the Guarantor may reasonably request to implement such subrogation.

11. **Expenses.** The Guarantor hereby agrees to pay on demand all reasonable out-of-pocket expenses (including the reasonable fees and expenses of Duke Energy Ohio’s counsel) in any way relating to the enforcement or protection of the rights of Duke Energy Ohio hereunder; provided that the Guarantor shall not be liable for any expenses of Duke Energy Ohio if no payment under this Guaranty is due.

12. **Assignment.** This Guaranty shall be binding upon the Guarantor and upon its permitted successors and assigns, and shall inure to the benefit of Duke Energy Ohio and its permitted successors and assigns and shall apply to all successors and assigns of the PIPP Supplier. The Guarantor may not assign this Guaranty nor delegate its duties or rights hereunder without the prior express written consent of Duke Energy Ohio. Duke Energy Ohio may assign this Guaranty in accordance with the terms of the Agreement.

13. **Amendments.** No term or provision of this Guaranty shall be amended, modified, altered, waived, or supplemented except in a writing signed by the parties hereto, except that Guarantor may amend this Guaranty without Duke Energy Ohio’s consent if the amendment only increases the dollar amount stated in Section 1 to which liability of the Guarantor to Duke Energy Ohio shall not exceed, provided that Guarantor deliver such amendment to Duke Energy Ohio on or before the effective date of such amendment.

14. **Choice of Law and Venue.** The Guarantor and Duke Energy Ohio hereby agree that this Guaranty shall be governed by and construed in accordance with the internal laws of the State of Ohio without giving effect to principles of conflicts of law.

 15. **Waiver of Jury Trial**. The Guarantor and Duke Energy Ohio, through acceptance of this Guaranty, waive all rights to trial by jury in any action, proceeding or counterclaim arising or relating to this Guaranty.

 16. **Miscellaneous.** This Guaranty is the entire and only agreement between the Guarantor and Duke Energy Ohio with respect to the guarantee of amounts payable by the PIPP Supplier to Duke Energy Ohio arising out of the Agreement in connection with PIPP Supplier’s [ICT / Total Exposure Amount]. All representations, warranties,

agreements, or undertakings heretofore or contemporaneously made, which are not set forth herein, are superseded hereby.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its [corporate] name by its duly authorized representative as of the date first above written.

 [GUARANTOR]

 By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Its:

ATTACHMENT E

FORM OF PIPP SUPPLIER LETTER OF CREDIT

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Date)

Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

To: Duke Energy Ohio, Inc. (“Beneficiary”)

550 South Tryon Street (DEC40C)

Charlotte, NC 28202

Attention: Chief Risk Officer

1. We hereby establish in your favor this irrevocable transferable Letter of Credit (this “Letter of Credit”) for the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(the “Applicant”), in the aggregate amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, effective immediately and available to you at sight upon demand at our counters at \_\_\_\_\_\_\_\_\_\_\_\_\_(location) and expiring 364 days from date of issuance or any extension thereof (in the form of Annex 5), unless terminated earlier or automatically extended in accordance with the provisions hereof or otherwise extended.
2. This Letter of Credit is issued at the request of the Applicant, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 12 hereof. This Letter of Credit may be drawn:
3. upon an Event of Default with respect to the Applicant under the Master PIPP Supply Agreement; or
4. in the event the Applicant has failed to supply a substitute letter of credit thirty (30) days prior to the expiration of this Letter of Credit as required by the Master PIPP Supply Agreement.

3. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, by no later than 11:00 A.M. (prevailing Eastern Time[[1]](#footnote-1)1) on such Business Day to (Bank), (address), (i) a notice in the form of Annex 1 hereto, appropriately completed and duly signed by an Authorized Officer of the Beneficiary and (ii) your draft in the form of Annex 2 hereto, appropriately completed and duly signed by an Authorized Officer of the Beneficiary.

4. We may, but shall not be obligated to, accept any request to issue a substitute letter of credit. Such request shall be in an Availability Certificate in the form of Annex 3 hereto by you to us for exchange for a new letter of credit in the amount set forth in an Availability Certificate, which amount shall not exceed the present value of this Letter of Credit. Upon acceptance by us of any such request to issue a substitute letter of credit for exchange, the new letter of credit shall be issued in the amount as set forth in the Availability Certificate.

1. We hereby agree to honor a drawing hereunder made in compliance with the terms and provisions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such account at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. prevailing Eastern Time on the date of such drawing, if delivery of this requisite document is made prior to 11:00 A.M. (prevailing Eastern time) on a Business Day pursuant to Paragraph 3 hereof, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite document is made after 11:00 A.M. (prevailing Eastern time) on any Business Day pursuant to Paragraph 3 hereof.
2. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice (not later than three (3) Business Days following the date of receipt of the documents) that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so, provided, however, that in such event a conforming demand for payment must be timely made in accordance with the terms of this Letter of Credit.
3. This Letter of Credit will automatically terminate and be delivered to us for cancellation on the earliest of (i) the making by you of the drawings in an amount equal to the maximum

amount available to be made hereunder; (ii) the date we issue a new letter of credit in exchange for this Letter of Credit in accordance with Paragraph 4 hereof; and (iii) the date we receive from you a Certificate of Expiration in the form of Annex 4 hereto. The Letter of Credit will be automatically extended without written amendment for successive additional one (1) year periods from the current or any future extended expiry date, unless at least ninety (90) days prior to such date of expiration, we give written notice to the Beneficiary by registered or certified mail, return receipt requested, or by overnight courier, at the address set forth above, or at such other address of which prior written notice has been provided to us, that we elect not to renew this Letter of Credit for such additional one (1) year period.

1. As used herein:

“Authorized Officer” shall mean President, Treasurer, any Vice President, any Assistant Treasurer or any other person holding an equivalent title.

“Availability Certificate” shall mean a certificate substantially in the form of Annex 3 hereto, appropriately completed and duly signed by an Authorized Officer of the Beneficiary.

“Business Day” shall mean any day on which commercial banks are not authorized or required to close in New York, NY and any day on which payments can be effected on the Fed wire system.

“Master PIPP Supply Agreement” shall mean that certain Master PIPP Supply Agreement between the Applicant and the Beneficiary, dated \_\_\_\_\_\_\_\_\_

1. This Letter of Credit is assignable and transferable, in accordance with Annex 6, to an entity certified by you to us in the form of Annex 6, and we hereby consent to such assignment or transfer, provided that this Letter of Credit may not otherwise be amended or modified without consent from us, you and the Applicant, and, except as otherwise expressly stated herein, is subject to the Uniform Customs and Practice for Documentary Credits – 2007 Revision, ICC Publication No. 600, or any successor publication thereto (the “UCP”). Any and all banking charges, transfer fees, expenses and costs shall be borne by the Applicant. This Letter of Credit shall, as to matters not governed by the UCP, be governed and construed in accordance with New York law, without regard to principles of conflicts of law.
2. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, changed, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Annexes 1 through 6 hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.
3. We certify that as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(date) we \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Bank”) satisfy the minimum long-term senior unsecured debt rating of “A-” from Standard & Poor’s Rating Services or “A3” from Moody’s Investors Service, Inc.

1. The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through us referencing this Letter of Credit No. \_\_\_\_\_. Partial drawings are permitted hereunder. Drafts showing amounts in excess of amounts available under this Letter of Credit are acceptable, however, in no event will payment exceed the amount available to be drawn under this Letter of Credit.
2. Faxed document(s) are acceptable. Presentation by fax must be made to fax number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ confirmed by telephone to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
3. In the event of act of God, riot, civil commotion, insurrection, war, terrorism or any strikes or lock outs, or any cause beyond our control, that interrupts our business, and causes the place for presentation of this Letter of Credit to be closed for business on the last day of presentation, the expiration date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.
4. This original Letter of Credit has been sent to the Beneficiary located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (as per Applicant’s instructions). Any demands or communications in the form of the attached Annexes (except for Annex 5) or other communications directed to us under this Letter of Credit must be signed by an Authorized Officer of the Beneficiary. Acceptance or rejection of any amendments to this Letter of Credit or any extensions pursuant to Annex 5 must be signed by an Authorized Officer of the Beneficiary.

 Very truly yours,

 (Bank)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Title:

 By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Title:

**Annex 1 to Letter of Credit**

DRAWING UNDER LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

To: (Bank)

 (Address)

 Attention: Standby Letter of Credit Unit

Ladies and Gentlemen:

 The undersigned is making a drawing under the above-referenced Letter of Credit in the amount specified below and hereby certifies to you as follows:

1. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Letter of Credit.

1. Pursuant to Paragraph 2 of the Letter of Credit No.\_\_\_\_\_\_\_\_\_\_\_\_\_, dated\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, the undersigned is entitled to make a drawing under the Letter of Credit in the aggregate amount of $\_\_\_\_\_\_\_\_\_\_, inasmuch as (choose one of the following by placing an “X” on the line preceding the statement):

**\_\_\_\_**\_ (a) An Event of Default has occurred with respect to the Applicant under the Master PIPP Supply Agreement;

**\_\_\_\_**\_ (b) The Applicant has failed to supply a substitute letter of credit thirty (30) days prior to the expiration of this Letter of Credit as required by the Master PIPP Supply Agreement.

3. The amount to be received by Duke Energy Ohio, Inc. is $\_\_\_\_\_\_\_\_\_\_\_.

4. We acknowledge that, upon your honoring the drawing herein requested, the amount of the Letter of Credit available for drawing shall be automatically decreased by an amount equal to this drawing.

Very truly yours,

Duke Energy Ohio, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

**Annex 2 to Letter of Credit**

DRAWING UNDER LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

ON [Business Day set forth in Paragraph 5]

PAY TO: Duke Energy Ohio, Inc.

$ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For credit to the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

FOR VALUE RECEIVED AND CHARGE TO ACCOUNT OF LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_\_\_\_\_ OF

 (Bank)

 (Address)

Duke Energy Ohio, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

**Annex 3 to Letter of Credit**

AVAILABILITY CERTIFICATE

UNDER LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

To: (Bank)

 (Address)

 Attention: Standby Letter of Credit Unit

Ladies and Gentlemen:

 Each of the undersigned hereby requests that, in exchange for the above-referenced Letter of Credit, a new letter of credit be issued in the aggregate amount of $\_\_\_\_\_\_\_\_\_ (the “New Amount”) and to expire on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(date), but otherwise in the form of the above-referenced Letter of Credit.

 Please acknowledge your intention to issue such new letter of credit in the New Amount upon the surrender of the above-referenced Letter of Credit by signing the attached acknowledgment copy hereof and forwarding it to:

 [Beneficiary’s Address]

Very truly yours,

Duke Energy Ohio, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

Agreed and Accepted APPLICANT NAME

(Bank) By:

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name:

Title: Title:

Date: Date:

**Annex 4 to Letter of Credit**

CERTIFICATE OF EXPIRATION

OF LETTER OF CREDIT NO. \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

To: (Bank)

 (Address)

 Attention: Standby Letter of Credit Unit

Ladies and Gentlemen:

 The undersigned hereby certifies to you that the above-referenced Letter of Credit may be cancelled without payment. Attached hereto is said Letter of Credit, marked cancelled.

Duke Energy Ohio, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

cc: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant Name)

**Annex 5 to Letter of Credit**

NOTICE OF EXTENSION

OF LETTER OF CREDIT NO.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

To: Duke Energy Ohio, Inc.

550 South Tryon Street (DEC40C)

Charlotte, NC 28202

 Attention: Chief Risk Officer

Re: Our Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ presently in the aggregate amount of USD\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ issued for the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and expiring on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

On the expiration date of the Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, we will issue a new Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_ to expire on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(date). This new Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ will, aside from the expiration date, be in the amount and form of our Letter of Credit No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Very truly yours,

BANK\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By:

Name:

Title:

Date:

Duke Energy Ohio, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

cc: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant Name)

**Annex 6 to Letter of Credit**

NOTICE OF TRANSFER

OF LETTER OF CREDIT NO.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

To:

[Bank]

[Bank Address]

To Whom It May Concern:

Re: Credit\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Issued by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Advice No\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For the value received, the undersigned Beneficiary hereby irrevocably transfers to:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Transferee)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Address)

all rights of the undersigned Beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases, extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The advice of such Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof, and forward it directly to the transferee with your customary notice of transfer.

Very Truly Yours,

Duke Energy Ohio, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

The above signature with title as stated conforms to that on file with us and is authorized for the execution of said instruments.

(Name of authenticating party)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Authorized signature of authenticating party)

Name

Title

ATTACHMENT F

SAMPLE PJM INVOICE

|  |
| --- |
| **PJM Billing Statement Line Items** |
| **ID #** | **Resp.** | **CHARGES** |
| 1000 | PIPP S | Amount Due for Interest on Past Due Charges |
| **1100** | **EDC** | **Network Integration Transmission Service** |
| **1108** | **EDC** | **Transmission Enhancement** |
| **1109** | **EDC** | **Midcontinent ISO Transmission Expansion Plan Assessment** |
| 1110 | PIPP S | Direct Assignment Facilities |
| 1120 | PIPP S | Other Supporting Facilities |
| 1130 | PIPP S | Firm Point-to-Point Transmission Service |
| 1133 | PIPP S | Firm Point-to-Point Transmission Service Resale |
| 1140 | PIPP S | Non-Firm Point-to-Point Transmission Service |
| 1143 | PIPP S | Non-Firm Point-to-Point Transmission Service Resale |
| 1200 | PIPP S | Day-ahead Spot Market Energy |
| 1205 | PIPP S | Balancing Spot Market Energy |
| 1210 | PIPP S | Day-ahead Transmission Congestion |
| 1215 | PIPP S | Balancing Transmission Congestion |
| 1218 | PIPP S | Planning Period Congestion Uplift |
| 1220 | PIPP S | Day-ahead Transmission Losses |
| 1225 | PIPP S | Balancing Transmission Losses |
| 1230 | PIPP S | Inadvertent Interchange |
| 1240 | PIPP S | Day-ahead Economic Load Response |
| 1241 | PIPP S | Real-time Economic Load Response |
| **1242** | **EDC** | **Day-Ahead Load Response Charge Allocation** |
| **1243** | **EDC** | **Real-Time Load Response Charge Allocation** |

|  |  |  |
| --- | --- | --- |
| 1245 | PIPP S | Emergency Load Response |
| 1250 | PIPP S | Meter Error Correction |
| 1260 | PIPP S | Emergency Energy |
| 1301 | PIPP S | PJM Scheduling, System Control and Dispatch Service - Control Area Administration |
| 1302 | PIPP S | PJM Scheduling, System Control and Dispatch Service - FTR Administration |
| 1303 | PIPP S | PJM Scheduling, System Control and Dispatch Service - Market Support |
| 1304 | PIPP S | PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration |
| 1305 | PIPP S | PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt. |
| 1306 | PIPP S | PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center |
| 1307 | PIPP S | PJM Scheduling, System Control and Dispatch Service - Market Support Offset |
| 1308 | PIPP S | PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration  |
| 1309 | PIPP S | PJM Scheduling, System Control and Dispatch Service Refund - FTR Administration |
| 1310 | PIPP S | PJM Scheduling, System Control and Dispatch Service Refund - Market Support |
| 1311 | PIPP S | PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration |
| 1312 | PIPP S | PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt. |
| 1313 | PIPP S | PJM Settlement, Inc. |
| 1314 | PIPP S | Market Monitoring Unit (MMU) Funding |
| 1315 | PIPP S | FERC Annual Charge Recovery |
| 1316 | PIPP S | Organization of PJM States, Inc. (OPSI) Funding |
| 1317 | PIPP S | North American Electric Reliability Corporation (NERC) |
| 1318 | PIPP S | Reliability First Corporation (RFC) |
| **1320** | **EDC** | **Transmission Owner Scheduling, System Control and Dispatch Service** |
| **1330** | **EDC** | **Reactive Supply and Voltage Control from Generation and Other Sources Service** |
| 1340 | PIPP S | Regulation and Frequency Response Service |
| 1350 | PIPP S | Energy Imbalance Service |
| 1360 | PIPP S | Synchronized Reserve |
| 1365 | PIPP S | Day-ahead Scheduling Reserve |
| 1370 | PIPP S | Day-ahead Operating Reserve |
| 1371 | PIPP S | Day-ahead Operating Reserve for Load Response |
| 1375 | PIPP S | Balancing Operating Reserve |
| 1376 | PIPP S | Balancing Operating Reserve for Load Response  |
| 1377 | PIPP S | Synchronous Condensing |
| 1378 | PIPP S | Reactive Services |
| 1380 | PIPP S | Black Start Service |
| 1400 | PIPP S | Load Reconciliation for Spot Market Energy |
| 1410 | PIPP S | Load Reconciliation for Transmission Congestion |
| 1420 | PIPP S | Load Reconciliation for Transmission Losses |
| 1430 | PIPP S | Load Reconciliation for Inadvertent Interchange |
| 1440 | PIPP S | Load Reconciliation for PJM Scheduling, System Control and Dispatch Service |
| 1441 | PIPP S | Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund |
| 1442 | PIPP S | Load Reconciliation for Schedule 9-6 - Advanced Second Control Center  |
| 1444 | PIPP S | Load Reconciliation for Market Monitoring Unit (MMU) Funding  |

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| 1445 | PIPP S | Load Reconciliation for FERC Annual Charge Recovery |
| 1446 | PIPP S | Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding |
| 1447 | PIPP S | Load Reconciliation for North American Electric Reliability Corporation (NERC) |
| 1448 | PIPP S | Load Reconciliation for Reliability First Corporation (RFC) |
| **1450** | **EDC** | **Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service** |
| 1460 | PIPP S | Load Reconciliation for Regulation and Frequency Response Service |
| 1470 | PIPP S | Load Reconciliation for Synchronized Reserve  |
| 1475 | PIPP S | Load Reconciliation for Day-ahead Scheduling Reserve |
| 1478 | PIPP S | Load Reconciliation for Balancing Operating Reserve |
| 1480 | PIPP S | Load Reconciliation for Synchronous Condensing |
| 1490 | PIPP S | Load Reconciliation for Reactive Services |
| 1500 | PIPP S | Financial Transmission Rights Auction |
| 1600 | **N/A** | RPM Auction |
| 1610 | **N/A** | Locational Reliability |
| 1650 | **N/A** | Auction Specific MW Capacity Transaction |
| 1660 | **N/A** | Demand Resource and ILR Compliance Penalty |
| 1661 | **N/A** | Capacity Resource Deficiency  |
| 1662 | **N/A** | Generation Resource Rating Test Failure  |
| 1663 | **N/A** | Qualifying Transmission Upgrade Compliance Penalty |
| 1664 | **N/A** | Peak Season Maintenance Compliance Penalty |
| 1665 | **N/A** | Peak-Hour Period Availability |
| 1666 | **N/A** | Load Management Test Failure |
| 1670 | **N/A** | FRR LSE Reliability |
| 1687 | **N/A** | FRR LSE Schedule 9-5 |
| 1688 | **N/A** | FRR LSE Schedule 9-6 |
| 1920 | PIPP S | Station Power |
| **1930** | **EDC** | **Generation Deactivation** |
| **1932** | **EDC** | **Generation Deactivation Refund** |
| 1980 | PIPP S | Miscellaneous Bilateral |
| 1995 | PIPP S | PJM Annual Membership Fee |
| 1999 | PIPP S | PJM Customer Payment Default |

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| **PJM Credits** |
| **ID#** | **Resp.** | **CREDITS** |
| 2100 | TO | Network Integration Transmission Service |
| 2106 | TO | Non-Zone Network Integration Transmission Service |
| 2108 | TO | Transmission Enhancement |
| 2109 | TO | Midcontinent ISO Transmission Expansion Plan Assessment  |
| 2110 | TO | Direct Assignment Facilities |
| 2120 | TO | Other Supporting Facilities |
| 2130 | TO | Firm Point-to-Point Transmission Service |
| 2132 | PIPP S | Internal Firm Point-to-Point Transmission Service |
| 2133 | PIPP S | Firm Point-to-Point Transmission Service Resale |
| **2140** | **EDC** | **Non-Firm Point-to-Point Transmission Service** |
| 2142 | PIPP S | Internal Non-Firm Point-to-Point Transmission Service |
| 2143 | PIPP S | Non-Firm Point-to-Point Transmission Service Resale |
| 2210 | PIPP S | Transmission Congestion |
| 2217 | PIPP S | Planning Period Excess Congestion |
| 2218 | PIPP S | Planning Period Congestion Uplift |
| 2220 | PIPP S | Transmission Losses |
| 2240 | **N/A** | Day-ahead Economic Load Response |
| 2241 | **N/A** | Real-time Economic Load Response |
| 2245 | **N/A** | Emergency Load Response |
| 2260 | **N/A** | Emergency Energy |
| **2320** | **EDC** | **Transmission Owner Scheduling, System Control and Dispatch Service** |
| **2330** | **EDC** | **Reactive Supply and Voltage Control from Generation and Other Sources Service** |
| 2340 | **N/A** | Regulation and Frequency Response Service |
| 2350 | **N/A** | Energy Imbalance Service |
| 2360 | **N/A** | Synchronized Reserve |
| 2365 | **N/A** | Day-ahead Scheduling Reserve |
| 2370 | **N/A** | Day-ahead Operating Reserve |
| 2371 | **N/A** | Day-ahead Operating Reserve for Load Response |
| 2375 | **N/A** | Balancing Operating Reserve |
| 2376 | **N/A** | Balancing Operating Reserve for Load Response |
| 2377 | **N/A** | Synchronous Condensing |
| 2378 | **N/A** | Reactive Services |
| 2380 | **N/A** | Black Start Service |

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| 2420 | PIPP S | Load Reconciliation for Transmission Losses |
| 2500 | PIPP S | Financial Transmission Rights Auction |
| 2510 | PIPP S | Auction Revenue Rights |
| 2600 | **N/A** | RPM Auction |
| 2620 | **N/A** | Interruptible Load for Reliability |
| 2630 | **N/A** | Capacity Transfer Rights |
| 2640 | **N/A** | Incremental Capacity Transfer Rights |
| 2650 | **N/A** | Non-Unit Specific Capacity Transaction |
| 2660 | **N/A** | Demand Resource and ILR Compliance Penalty |
| 2661 | **N/A** | Capacity Resource Deficiency |
| 2662 | **N/A** | Generation Resource Rating Test Failure |
| 2663 | **N/A** | Qualifying Transmission Upgrade Compliance Penalty |
| 2664 | **N/A** | Peak Season Maintenance Compliance Penalty |
| 2665 | **N/A** | Peak-Hour Period Availability |
| 2666 | **N/A** | Load Management Test Failure |
| **2687** | **N/A** | **FRR LSE Schedule 9-5** |
| **2688** | **N/A** | **FRR LSE Schedule 9-6** |
| **2930** | **EDC** | **Generation Deactivation** |
| **2932** | **EDC** | **Generation Deactivation Refund** |
| 2980 | PIPP S | Miscellaneous Bilateral |

ATTACHMENT G

REPRESENTATIVE FORM OF PJM DECLARATION OF AUTHORITY

**DECLARATION OF AUTHORITY**

 This Declaration of Authority (“Declaration”) is made this day of

 , 20 by the following:

PRINCIPAL: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Principal”)

AGENT: Duke Energy Ohio, Inc. (“Agent”).

**RECITALS**

 WHEREAS, PJM is a Regional Transmission Organization (“RTO”) subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”);

 WHEREAS, PJM Settlement, Inc (“PJM Settlement”) is a Pennsylvania Non-Profit Corporation, incorporated for the purpose of providing billing and settlement functions and credit and risk management functions for PJM. References to “PJM” in this Declaration are intended to apply to PJM and/or PJM Settlement, as appropriate, with regard to their respective functions.

 WHEREAS, PJM and PJM Settlement administer centralized markets that clear various electric energy and energy-related products among multiple buyers and sellers;

 WHEREAS, PJM additionally exercises operational control over its members’ transmission facilities whereby PJM provides open-access transmission service and control area functions, including economic dispatch and emergency response to ensure reliability;

 WHEREAS, Principal is a PJM Member and seeks to obtain, or is obtaining, services provided or administered by PJM, seeks to participate, or is participating in, markets administered by PJM, or seeks to engage in, or is engaging in, operations that use or affect the integrated transmission system operated by PJM;

 WHEREAS, such activities or contemplated activities by Principal and Agent are governed by rights and obligations established by or under the PJM Open Access Transmission Tariff (“Tariff”), the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), the Reliability Assurance Agreement Among Load-serving Entities in the MAAC Control Zone (“RAA”), and other agreements, manuals, and practices of PJM (the Tariff, the Operating Agreement, the RAA, and such other agreements manuals, and practices of PJM, the “PJM Agreements”); and

 WHEREAS, Principal and Agent desire to declare to PJM their respective authorities concerning such rights and obligations, intend that PJM rely upon such declaration, and acknowledge that PJM may rely upon such declaration to its detriment.

**DECLARATION**

 NOW, THEREFORE, acknowledging that PJM will rely on the truth, accuracy and completeness of the declarations made below, Principal and Agent, as identified below, make the following declarations:

**1. Exclusivity of Agent’s Authority.**

Pursuant to a binding, legally enforceable agreement, Principal has authorized Agent to act for Principal with respect to certain rights and responsibilities as specified in Section 2 of this Declaration (“the Authorized Rights and Responsibilities”). With respect to the Authorized Rights and Responsibilities, Agent is authorized to communicate and transact with PJM as Principal’s sole and exclusive agent, and PJM is authorized to communicate and transact directly and exclusively with Agent as Principal’s agent. With respect to Authorized Rights and Responsibilities, Principal will abide by any direction issued by PJM to Agent.

**2. Specification of Authorized Rights and Responsibilities.**

In the following parts (a) through (h), Principal and Agent specify the rights and responsibilities with respect to which Agent is authorized to act for Principal. Specification shall be effective only if both Principal and Agent have placed the initials of their authorized representatives in the space provided for each applicable right or responsibility from among the options provided below:

(a) Load Server Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to satisfy Principal’s obligations as a Load-Serving Entity under the RAA, including, without limitation, its obligations to provide Unforced Capacity, submit capacity plans, provide or arrange for Capacity Resources, satisfy Accounted-for Obligations and Peak Season Maintenance Obligations, comply with any capacity audits, make payment of all deficiency, data submission, and emergency procedure charges incurred, coordinate planning and operation of Capacity Resources with other parties; and develop and submit planned outage schedules.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to satisfy Principal’s obligations under the Tariff, RAA and to provide or arrange for transmission service to its loads; provide or arrange for sufficient reactive capability, voltage control facilities, and black start capability for service to its loads; submit firm transmission service schedules, and designate Network Resources and other points of receipt and delivery for transmission service. Agent is authorized to request changes to the transmission service required for service to Principal’s loads, and to enter into, on Principal’s behalf, any feasibility, system impact, facilities study, or other agreements required to process such request for a change in service.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to satisfy Principal’s rights and obligations under the Tariff and Operating Agreement to submit bids on, obtain, administer, and receive payments or credits for Financial Transmission Rights and Auction Revenue Rights with respect to service to Principal’s loads.

\_\_\_\_\_  \_\_\_\_\_ Agent is authorized to provide data required by PJM with respect to service to Principal’s loads, including, but not limited to, data required for coordination of operations, accounting for all interchange transactions, preparation of required reports and maintenance schedules, and analysis of system disturbances.

\_\_\_\_\_ \_\_\_\_\_Agent is authorized to provide the facilities and personnel required to coordinate operations with PJM and other PJM Members.

(b) Electric Distributor Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to satisfy Principal’s rights and obligations as an Electric Distributor under the Operating Agreement, including, but not limited to, assuring the continued compatibility of its local energy management, monitoring, and telecommunications systems with PJM’s technical requirements; providing or arranging for the services of a 24-hour local control center to coordinate with PJM; providing to PJM all system, accounting, customer tracking, load forecasting, and other data necessary or appropriate to implement or administer the Operating Agreement, RAA; shedding connected load, initiating active load management programs, and taking such other coordination actions as may be necessary in accordance with PJM’s directions in Emergencies; maintaining or arranging for a portion of its connected load to be subject to control by automatic underfrequency, under-voltage, or other load-shedding devices; and complying with the underfrequency relay obligations and charges specified in the Operating Agreement.

(c) Generator Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to operate the Principal’s generation resources in all events, including, but not limited to, in the event of Emergencies, and shall operate such resources in a manner that is consistent with the standards, requirements or directions of PJM and that will permit PJM to perform its obligations under the Operating Agreement, Tariff, RAA, and other applicable agreements, manuals, and practices.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to ensure that the required portion of Principal’s Capacity Resources have the ability to go from a shutdown condition to an operating condition and start delivering power without assistance from the power system.

* Or –

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to direct the operation of Principal’s generation resources by relaying PJM’s instructions to the resource in all events, including, but not limited to, in the event of Emergencies, and shall direct such resources in a manner that is consistent with the standards, requirements or directions of PJM and that will permit PJM to perform its obligations under the Operating Agreement, Tariff, RAA, and other applicable agreements, manuals, and practices.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to communicate with PJM in all matters concerning the provision of capacity, energy, or ancillary services from Principal’s generation resources, including, without limitation, information required in connection with Capacity Resources, dispatch of any unit, provision of reactive power, regulation, synchronous condensing, spinning or other reserves, establishment or maintenance of a unit as a Black-Start Unit, satisfaction of must-run obligations, and costs or revenue requirements for any product or service offered by any such unit.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to provide information on outages of Principal’s generation facilities, whether planned, forced, or for maintenance, and to coordinate such outages with PJM

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to act on behalf of Principal with respect to Principal’s rights and obligations under any Feasibility Study, System Impact Study, or Facilities Study Agreements.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to act on behalf of Principal with respect to Principal’s rights and obligations under any Construction Service Agreements.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to act on behalf of Principal with respect to Principal’s rights and obligations under any Interconnection Service Agreements.

\_\_\_\_  \_\_\_\_\_ Agent is authorized to receive from PJM historic and real time data collected by PJM from, or provided to PJM by, Principal with respect to Principal’s generation resources.

\_\_\_\_\_  \_\_\_\_\_Agent is authorized to act on behalf of Principal for the following specific unit(s) in Principal primary and subaccounts:

Resource Name: Resource ID:

(d) Market Buyer/Market Seller Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to satisfy Principal’s rights and obligations as a Market Buyer or Market Seller under the Operating Agreement, including, but not limited to, arranging for a Market Operations Center capable of real-time communication with PJM during normal and Emergency conditions; reporting to PJM sources of energy available for operation; providing to PJM scheduling and other information, including, but not limited to, maintenance and other anticipated outages of generation or transmission facilities, scheduling and related information on bilateral transactions and self-scheduled resources, and implementation of active load management, interruption of load, and other load reduction measures; obtaining Spot Market Backup for bilateral transactions; submitting to PJM binding offers to purchase or sell energy and ancillary services in compliance with all applicable Offer Data specifications; responding to PJM’s directives to start, shut down or change output levels of generation units, or change scheduled voltages or reactive output levels; responding to PJM’s directives to schedule delivery or change delivery schedules for external resources; and following PJM’s directions to take actions to prevent, manage, alleviate or end an Emergency.

(e) Billing and Payment Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ In connection with all rights and responsibilities specified by Principal and Agent in any of subparts (a) through (d) of this Section, or as specified in the attached Addendum, Agent shall be billed for, and shall make payment to PJM for, all charges, penalties, costs and fees. (If this option is not specified, PJM will issue billings to, and collect amounts due from, Principal.)

\_\_\_\_\_ \_\_\_\_\_ In connection with all rights and responsibilities specified by Principal and Agent above, Agent is entitled to receive from PJM in Agent’s account all credits, revenues, distributions, and disbursements. (If this option is not specified, PJM will pay such amounts to Principal.)

(f) General Membership Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to participate and vote in all PJM committees, working groups, and other stakeholder bodies on Principal’s behalf.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to participate on Principal’s behalf in the regional transmission expansion planning process.

\_\_\_\_\_ \_\_\_\_\_ Agent is authorized to provide information or otherwise cooperate on Principal’s behalf in connection with any investigation or request for information by PJM or the PJM Market Monitoring Unit in accordance with the Operating Agreement and Attachment M to the Tariff. (If this option is specified, PJM and the PJM Market Monitoring Unit shall have the right to request and obtain such information from Agent and/or Principal.)

\_\_\_\_\_ \_\_\_\_\_ Agent shall be billed for, and shall make payment of, Principal’s costs of membership in PJM, including payment of the Membership fee, and payment of any other general assessments on the PJM members, including, but not limited to, amounts assessed as a consequence of defaults by other Members.

(g) Additional Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ Agent has been Authorized other rights and responsibilities of Principal as specified on Attachment “A” to this Declaration.

(h) Limitation on Responsibilities.

\_\_\_\_\_ \_\_\_\_\_ The rights and responsibilities specified in parts (a) through (f) above apply to a limited portion of Principal’s facilities or loads located in the PJM Region, as specified on Attachment “B” to this Declaration, and to no other facilities or loads of Principal.

**3. Continuing Responsibilities and Liabilities of Principal.**

3.1 The Authorized Rights and Responsibilities are the only rights and responsibilities under the PJM Agreements for which Agent is authorized to act for Principal, and Principal retains all rights and responsibilities under the PJM Agreements not specified by Principal and Agent in Section 2.

3.2 With respect to the Authorized Rights and Responsibilities, and notwithstanding any other provision of this Agreement, Principal shall remain liable to PJM for all amounts due or to become due to PJM under the PJM Agreements, and Agent’s authorization to make payment of any such amounts hereunder (if specified in Section 2) shall not release Principal from liability for any financial obligations to PJM not satisfied by Agent.

**4. Reliance and Indemnity, Duty to Inform, Liability Waiver, and Rules of Construction.**

4.1 Principal and Agent each recognizes, accepts and intends that PJM will rely, upon on the truth, accuracy and completeness of the declarations herein in matters including but not limited to creditworthiness and in assuring compliance with the PJM Agreements. Principal and Agent each recognizes and accepts that PJM or its members may suffer losses and damages if any declaration is or becomes untrue, inaccurate or incomplete, and each agrees to indemnify PJM for any such losses and damages.

4.2 Principal and Agent each has a continuing duty to notify PJM if and when any declaration herein ceases to be truthful, accurate or complete. Until such time as PJM receives written notification of any change to any declaration, in accordance with the terms contained herein, PJM shall be entitled to rely perpetually on this Declaration as governing its relationship with Principal and Agent as to the subject matter of this Declaration. Written notice of changes to the declarations contained herein must be provided by Principal (PJM Member) to PJM at least thirty days in advance of their effectiveness. If Agent is also a PJM Member, then both parties will be required to provide thirty days prior written notification in order for such changes to be effective. Such notification is required for changes to the declarations and responsibilities contained herein and/or termination of this Declaration. Upon such termination, all rights, responsibilities and accounts will revert back to the original status quo prevailing before the Declaration became effective. Should less than thirty days notice be provided, PJM shall use its best efforts to accommodate and process the declarations herein, but all attempts should be made to provide such notice.

4.3 Nothing in this Declaration shall be construed to create or give rise to any liability on the part of PJM and Principal and Agent expressly waive any claims that may arise against PJM under this Declaration. This Declaration shall not be construed to modify any of the PJM Agreements and in the event of conflict between this Declaration and a PJM Agreement, the applicable PJM Agreement shall control.

4.4 Capitalized terms used herein that are not defined herein have the meanings given in the PJM Agreements, as applicable.

4.5 The Recitals are hereby incorporated into the body of this Declaration.

IN WITNESS WHEREOF, Principal and Agent execute this Declaration to be effective as of the date written above or upon receipt of a fully executed original by PJM, whichever date is later.

**PRINCIPAL: AGENT:**

Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature:

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: James P. Henning

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: State President-OH/KY

Company Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Company Name: Duke Energy Ohio, Inc.

**DECLARATION OF AUTHORITY**

**Attachment A – Addendum**

**PRINCIPAL:**

**AGENT:** Duke Energy Ohio, Inc.

**Duration of Agreement:**

Effective Starting Date:

**Note**: Principal or Agent is required to provide PJM thirty days’ written notice of intent to terminate this Agreement. Upon termination, all accounts will revert back to their original status.

**PJM Billing Line Items – Transfer**

Principal and Agent agree the PJM Settlement, Inc., (“PJM Settlement”) shall transfer all of the following charges directly related to Principal’s retail load obligations from the Principal’s account(s) to the Agent’s account as of the date specified above:

**Billing Line Item Number** **Billing Line Item**

|  |  |
| --- | --- |
| 1100  | Network Integration Transmission Service |
| 1108 | Transmission Enhancement |
| 1109 | Midwest ISO Transmission Expansion Plan Assessment |
| 1242 | Day-Ahead Load Response Charge Allocation |
| 1243 | Real-Time Load Response Charge Allocation |
| 1320 | Transmission Owner Scheduling, System Control and Dispatch Service |
| 1330 | Reactive Supply and Voltage Control from Generation and Other Sources Service |
| 1450 | Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service |
| 1930 | Generation Deactivation |
| 1932 | Generation Deactivation Refund |
| 2108 | Transmission Enhancement |
| 2140 | Non-Firm Point-to-Point Transmission Service |

**PJM Accounts/Subaccounts**

Role Account Long Name Account Short Name Org ID

Principal

 Agent Duke Energy Ohio, Inc. (EDC) DEOEDC

1. 1 If the issuer of the Letter of Credit is located in an area that is not in the Eastern time zone, this time and all other times in this Letter of Credit, and the definition of a business day should be adjusted accordingly. [↑](#footnote-ref-1)