

DUKE ENERGY OHIO

REQUEST FOR PROPOSALS FOR
PEAKING/INTERMEDIATE POWER SUPPLY
IN RESPONSE TO OHIO SENATE BILL 221



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Found In Separate Documents:

Exhibit E	Functional Specifications Peaking Resource
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Exhibit G	Information Request for Peaking and Intermediate Resource

1.0 Purpose of Request for Proposals

DUKE ENERGY OHIO, INC. (DUKE ENERGY) has a need for up to 1,400 MWs of peaking and/or intermediate resources in the 2009 to 2012 timeframe. DUKE ENERGY will consider Power Purchase Agreements (PPA) and Asset Ownership to satisfy this requirement.

Specific requirements for this Request for Proposals (RFP) are as follows:

- Resource need up to 1,400 MWs of peaking and/or intermediate capacity
- Life of Asset PPA (30 years) or Asset Ownership
- Peaking and/or intermediate resources must begin delivery in 2009 – 2012 timeframe
- Life of Asset PPAs must be 30 years in duration and tied to a specific asset
- Preference will be given to assets located in the Midwest ISO (MISO) footprint or that are currently deliverable to MISO
- Bids must be for a minimum block of 50 MWs
- Bidders must deliver energy to the CIN.CGE commercial pricing node within MISO

This RFP is being offered by DUKE ENERGY to evaluate opportunities available in the marketplace to meet the requirements of the recently approved Ohio Senate Bill 221 signed into law by Governor Ted Strickland on May 1, 2008. Specifically, this RFP is focused on evaluating opportunities through a competitive bid process to procure generation resources, either through a long-term contract or acquisitions, dedicated to serve Ohio consumers for the life of the contract or asset.

A separate RFP for Renewables Resources has been issued to address the renewable aspects of Ohio Senate Bill 221, therefore this RFP is focused on traditional supply side resources.

Duke Energy has retained Burns & McDonnell to act as an independent third party consultant to assist in the evaluation of this RFP. All bidders will directly interface with Burns & McDonnell for RFP clarification issues and RFP bid submittal.

Duke Energy Corp., the ultimate parent company of DUKE ENERGY, is one of the largest electric power companies in the United States, supplying and delivering energy to approximately 3.9 million U.S. customers. Through its subsidiaries, Duke Energy Corp. has nearly 37,000 megawatts of electric generating capacity in the Midwest and the Carolinas, and natural gas distribution services in Ohio and Kentucky. DUKE ENERGY's operations provide 4,700 megawatts of safe, reliable and competitively priced electricity to customers in southwest Ohio.

Headquartered in Charlotte, N.C., Duke Energy Corp. is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: www.duke-energy.com.

2.0 Instructions to Bidders

2.1 General

- 2.1.1 Nothing contained in this Request for Proposals shall be construed to require or obligate DUKE ENERGY to select any proposals or limit the ability of DUKE ENERGY to reject all proposals in its sole and exclusive discretion. DUKE ENERGY further reserves the right to withdraw and terminate this RFP at any time prior to the execution of a contract.
- 2.1.2 The submission of a proposal to DUKE ENERGY shall constitute a bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this RFP, including Exhibits.
- 2.1.3 Subject to 2.1.4, all proposals submitted to DUKE ENERGY pursuant to this RFP shall become the exclusive property of DUKE ENERGY and may be used for any reasonable purpose by DUKE ENERGY.
- 2.1.4 DUKE ENERGY and Burns & McDonnell shall consider materials provided by bidder in response to this RFP to be confidential only if such materials are clearly designated as "Confidential". Bidders should be aware that their proposal, even if marked "Confidential", may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by DUKE ENERGY. Bidders may be required to justify the requested confidential treatment under the provisions of a protective order issued in such proceedings. If required by an order of an agency or court of competent jurisdiction, DUKE ENERGY may produce the material in response to such order without prior consultation with the bidder.
- 2.1.5 Bidders shall be responsible for all costs and issues associated with bids; contract negotiations; completion of the contract; all taxes, duties, fees and other charges associated with the delivery of capacity and energy under the contract; and compliance with all local, state and federal laws that may affect the contract.
- 2.1.6 DUKE ENERGY anticipates that transmission access and capacity will be a factor in the selection of the final bid(s). For purchased power, the delivery point shall be the CIN.CGE commercial pricing node within MISO (Delivery Point). All costs and coordination required for any applicable Transmission Service Requests to the Delivery Point shall be the responsibility of the bidder.

2.2 Overview of Process

2.2.1 DUKE ENERGY, through Burns & McDonnell, has set-up an e-mail box to collect all written communication and questions from potential bidders as well as a web site to provide uniform communication including updates and specific detail as may be provided from time to time through this bidding process. The e-mail address is DukeEnergyOhioRFP@burnsmcd.com. The web site is DukeEnergyOhioRFP.com.

2.2.2 The bid process will include the activities and events as indicated in the schedule shown in **Exhibit A**. Bid opening will be performed in private by Burns & McDonnell on a confidential basis. Proposals will be reviewed for completeness and offers that do not include the information requirements of this RFP will be notified and allowed five business days to conform. The evaluation of the bids will be performed by DUKE ENERGY with assistance provided by Burns & McDonnell. Bidders selected for the Short List may be invited to begin negotiations of final details of the offers.

2.3 Notice of Intent to Bid

2.3.1 Each potential bidder is **requested** to advise DUKE ENERGY of its intent to submit a proposal by submitting a Notice of Intent to Bid (NOIB), attached hereto as **Exhibit B**.

2.3.2 The Notice of Intent to Bid form may be faxed or e-mailed, to the following address:

Jon Summerville
Burns & McDonnell
Fax: (816) 822-3027
Email: DukeOhioRFP@burnsmcd.com

The bidder contact information as supplied in the NOIB response provides a vehicle for Burns & McDonnell to communicate any updates/revisions to the RFP in a timely manner. Therefore, we encourage bidders to submit a NOIB by August 15, 2008.

2.4 Deadline and Method for Submitting Proposals

2.4.1 Proposals must be submitted in the complete name of the party expecting to execute any resulting contract with DUKE ENERGY.

2.4.2 All proposals submitted in response to this RFP must be received by Burns & McDonnell no later than 4:00 PM CST August 29, 2008.
DUKE ENERGY will not accept proposals received after this date and time.

2.4.3 Bidders are required to provide three (3) bound sets of all documents, including exhibits, as part of its proposal. It is further required that multiple proposals submitted by each bidder be identified separately. Proposals must be delivered to the following address:

DUKE ENERGY OHIO RFP
c/o Jon Summerville
Burns & McDonnell
9400 Ward Parkway
Kansas City, MO 64114

Emailed proposals will **NOT** be accepted and will not be recognized as complying with the date and time requirements.

2.5 Questions and Interpretation of RFP

DUKE ENERGY requires that all questions concerning this RFP be submitted in writing to Burns & McDonnell at the e-mail address indicated in Section 2.3.2. Answers will be posted as available to the web site. Bidders are encouraged to check the web site for updates. DUKE ENERGY will not be responsible for other explanations or interpretations of the RFP than those included on the web site.

Written questions will be accepted until seven days before the proposal submittal deadline. Answers will typically be posted on the website the first Monday after a week of receiving the questions.

It shall be the obligation of the bidder to identify any conflicting statements, need for clarification, or omissions of pertinent data from the RFP before bids are due. Any questions not resolved by the bid due date shall be identified in the proposal and a statement made as to the basis of the proposal.

2.6 Requirements of Transmission

2.6.1 All bidders must be able to deliver energy to the MISO transmission system. If the energy source is not currently located on the MISO system, it is the responsibility of the bidder to identify the transmission service necessary for delivery and account for any associated fees.

2.6.2 For purchased power, the delivery point shall be the CIN.CGE commercial pricing node within MISO (Delivery Point). All costs and coordination required for any applicable Transmission Service

- Requests to the Delivery Point shall be the responsibility of the bidder.
- 2.6.3 The proposal will be screened based on current or anticipated congestion and losses associated with the transmission of power to the Delivery Point.
- 2.6.4 The bidder shall indicate the interconnection point (MISO CP Node) for an existing generating source. If the proposed source is not currently connected to the MISO system, the connection point used in analysis will be the closest point on the grid monitored by MISO for LMP.
- 2.6.5 Bidders located in MISO will be required to submit interconnection applications to MISO as appropriate for feasibility and obtain their approval for the planned interconnection to the grid.
- 2.6.6 Capacity provided shall meet the Reliability First/NERC Guides and Midwest ISO capacity resource requirements for use by DUKE ENERGY in meeting its capacity obligations. Bidder shall provide DUKE ENERGY with sufficient documentation necessary to demonstrate compliance. Bidder will provide the status of the ability of the capacity source to satisfy the definition of Generation Resource, as such term is defined in the MISO Open Access Transmission and Energy Markets Tariff (TEMT) and MISO Business Rules.
- 2.6.7 All proposals shall provide the results of the deliverability tests of the Midwest ISO for assurance that the stated capacity is deliverable to the Midwest ISO system. If the generating facility(ies) are located outside the Midwest ISO, Bidder shall identify the type of firm transmission service being provided for delivery to the Midwest ISO.

3.0 Proposal Organization

The bidder understands that DUKE ENERGY will rely on the representations contained in the proposal and this Agreement in its evaluation and consideration of proposals submitted pursuant to the RFP. The bidder further understands that its inability to substantiate and verify any such representation may result in the termination of further consideration and/or evaluation of the proposal. All such representations made in the proposal are true and accurate to the best of the bidder's knowledge and belief. All proposals must include the following minimum components and are requested to provide the information in the order provided:

3.1 Summary

An executive summary providing the highlights and special features of the proposal is required.

3.2 Statements

- 3.2.1 A statement from the bidder clearly indicating the time period during which the proposal will remain effective. DUKE ENERGY requires that the structure of the proposals remain effective until December 31, 2008, at a minimum.
- 3.2.2 A signed Certification and Indemnity Agreement must be provided, which is to be completed entirely by the Supplier and signed by an authorized representative, a copy of which is attached hereto as **Exhibit C**.
- 3.2.3 All documentation and signatures required depending on the nature of the proposal.

3.3 Contract Terms

A comprehensive listing and description, including a rationale if warranted, of all contract terms and conditions that the bidder would seek during contract negotiations.

3.4 Proposal Limitations

A listing of any economic, operational or system conditions (including sensitivities to anticipated dispatch levels) that might affect the bidder's ability to deliver capacity and energy as offered and how the bidder will provide the proposed availability.

3.5 Term Sheet

3.5.1 Life of Asset Purchase Power Agreement (30 Years)

Information on the product, cost of the capacity and energy and other information shall be provided as per the sample Term Sheet contained in **Exhibit D**. Proposals shall provide a fixed or indexed price for the capacity and energy for their proposed term including the cost for all losses, congestion costs, ancillary services, transmission delivery fees, MISO or other associated fees, taxes, duties, and any other costs associated with the furnishing of the capacity and associated energy to the proposed DUKE ENERGY Delivery Point. No special pricing terms or conditions shall be permitted. For consideration in the evaluation process, proposals must contain a statement that all such fees have been included in the proposed price.

3.5.2 Asset Sale/Purchase

Each proposal submitted for the sale of an asset to Duke Energy must be structured such that there is a lump-sum payment due at closing. Though a lump sum price is required, DUKE ENERGY may also consider alternative purchase proposals for the same asset that utilize some form of construction period financing or progress payments. Any such arrangements need to be approved prior to implementation by the PUCO pursuant to Senate Bill 221.

3.6 Company Financial Data

Information on the makeup of the company and its parent organization shall be provided along with the most current annual financial reports and SEC Form 10-k (if applicable to the bidder). If this information is available on the company's web site, then bidder should provide the web page address where the information can be downloaded.

3.7 Security and Reliability of Physical Delivery

DUKE ENERGY requires secure and reliable physical delivery of the capacity and associated energy corresponding to all power supply offers. Security and reliability of physical delivery will be guaranteed by either (1) substantial evidence of contractual credit assurance by a third party, (2) parent corporation commitment accompanied by an investment level credit rating from a major rating agency, or (3) various combinations of 1 and 2. All forms of credit assurance are subject to approval by DUKE ENERGY. .

4.0 Proposal Content

For consideration in the evaluation process, proposals **must** contain the information outlined in the sample Term Sheet provided in **Exhibit D**.

Supporting information outlined in the following paragraphs for the respective proposal type will be beneficial in assisting the evaluation of the proposal. Should this information not be submitted with the proposal, DUKE ENERGY may require the bidder to submit this information in order to verify the bidder's ability to meet DUKE ENERGY's requirements for resource acquisitions and any future contract resulting from this RFP process. In addition, DUKE ENERGY has requirements for the resources it acquires. Bidders are directed to the Functional Specifications contained in **Exhibits E and F** for the detailed requirements for new build asset sale/purchase proposals.

4.1 Technical Information

Provide sufficient technical information to fully describe the project and allow a determination of the status and condition of proposed sources of capacity. The information outlined in **Exhibit G** should be provided.

4.2 Price Proposal

Proposals must provide a detailed description of the pricing terms and conditions. (See Sample Term Sheet, **Exhibit D**). During any subsequent discussions and/or negotiations, DUKE ENERGY may request modification to the proposed pricing scheme in order to accommodate its own operational or administrative requirements. For consideration in the evaluation process, proposals must contain the information outlined in the following paragraphs for the respective proposal type.

Note: DUKE ENERGY requires that bidders utilizing coal or gas as a source fuel use an industry accepted standard basis to build its energy price forecast. Bidders shall specify the index, source location of fuel, type of fuel, and Btu content, as well as the expected transportation method and cost.

4.2.1 Asset Sale/Purchase

Bidders may offer capacity and energy from new or existing resources on an asset/sale purchase basis. Under this arrangement, DUKE ENERGY acquires all future ownership responsibilities and provides a payment in accordance with a purchase agreement to be negotiated. The bidder must demonstrate that it has the requisite authorization to make an offer to purchase the facility represented in its proposal.

4.2.1.1 New Resources (See **Exhibits E-G**)

Bidder Proposals for New Resources should provide:

- (i) Bidder proposed purchase price to DUKE ENERGY must include all costs of developing, designing, constructing, and start-up of the facility to commercial operations. DUKE ENERGY will evaluate the financing of the equity purchase from its sources.
- (ii) An estimate of the costs and timing of on-going annual capital additions associated with each proposed generation facility.
- (iii) An estimate of annual fixed O&M costs associated with each proposed generation facility.
- (iv) An estimate of annual emission allowances, variable O&M, and startup costs associated with each proposed generation facility for loading at its expected operating annual capacity factor.

- (v) Estimated percent annual unit equivalent availability factor (EAF) as defined in the NERC GADS Definitions.
- (vi) All costs associated with delivery of the energy to DUKE ENERGY's Delivery Point excluding any ancillary services to be provided by DUKE ENERGY.

4.2.1.2 Existing Resources

Bidder Proposals for Existing Resources should provide:

- (i) A lump sum payment, which includes all costs of acquisition of the proposed capacity including transfer of title, permits, etc. to DUKE ENERGY.
- (ii) An estimate of the costs and timing of on-going annual capital additions associated with each proposed generation facility.
- (iii) An estimate of annual fixed O&M costs associated with each proposed generation facility.
- (iv) An estimate of annual emission allowances, variable O&M, and startup costs associated with each proposed generation facility for loading at its expected operating annual capacity factor. Estimated percent annual availability and guaranteed minimum percent annual unit availability.
- (v) All costs associated with delivery of the energy to DUKE ENERGY's Delivery Point excluding ancillary services to be provided by DUKE ENERGY.

4.2.2 Life of Asset Power Purchase Agreement (30 years)

Bidders may offer capacity and energy from new or existing resources or from a utility system on a life of asset power purchase agreement (30 years) basis. Under this arrangement, the bidder retains all ownership responsibilities and DUKE ENERGY provides only a capacity and energy payment in accordance with a purchase agreement to be negotiated. The bidder must demonstrate that it has the requisite regulatory authorization to make sales contemplated by its proposal.

- 4.2.2.1 Proposed capacity cost, and availability for new or existing resources shall be provided. DUKE ENERGY reserves the right to estimate the availability of a resource at its sole discretion if a reasonable availability is not provided by the bidder. Proposed capacity rates shall include all losses, wheeling and other charges associated with delivery to the DUKE ENERGY Delivery Point with the exception of ancillary services to be provided by DUKE ENERGY.
- (i) The bidder shall provide the starting capacity rate and applicable formula for escalation with proposed indices or a schedule of capacity rates for the proposed contract term.
 - (ii) The bidder shall identify the type of transmission service being provided, delivering parties and delivery point(s) of energy to DUKE ENERGY's system.
- 4.2.2.2 Proposed energy rates shall include all losses, wheeling and other charges associated with delivery to the DUKE ENERGY Delivery Point with the exception of ancillary services to be provided by DUKE ENERGY.
- (i) The bidder shall provide the starting energy rate and applicable formula for escalation with proposed indices or a schedule of energy rates for the proposed contract term.
 - (ii) The actual delivered energy, in any month, shall be determined in accordance with the metering procedures as set forth in the contract which will be negotiated between DUKE ENERGY and the successful bidder.
 - (iii) The bidder should specify the basis (i.e. annually, quarterly, monthly, etc.) and type of all payments it expects to receive. In the case of a fully dispatchable generating facility, such payments might include start-up payments (\$/start) or spinning payments (\$/operating hour). The bidder may further specify a pricing formula, schedule, or some combination of the two, for determining these payments.

5.0 Proposal Evaluation and Contract Negotiations

5.1 Initial Review

- 5.1.1 Proposals will be evaluated based on but not limited to the following: price, transmission feasibility, economic analysis, cost of delivery, deliverability of source fuel (natural gas, oil, etc.), relevant experience, credit rating or other evaluation criteria. The short list will be developed based upon the results of this initial analysis. Bidders whose proposals were considered to not meet the required threshold of this RFP will be notified via email that their bid proposal was unsuccessful in moving on to the Short List.
- 5.1.2 DUKE ENERGY may request that a bidder provide additional information or clarification to its original proposal. Burns & McDonnell shall make such requests in writing and will also specify a deadline for compliance. Failure to provide the requested information or clarification by the deadline will result in the disqualification of the proposal.
- 5.1.3 DUKE ENERGY may select any number of proposals, or reject all proposals or at any time withdraw and terminate this RFP pursuant to Section 2.1.1, as it, in its sole and exclusive judgment deems appropriate.

5.2 Short List Development

- 5.2.1 Burns & McDonnell will provide information to DUKE ENERGY with company information redacted. DUKE ENERGY will evaluate the proposals based on prices, terms and other resource performance factors.
- 5.2.2 During the evaluation process, Burns & McDonnell may choose to initiate discussions with one or more bidders for the purposes of obtaining clarifying information. For purposes of this RFP, discussions shall simply indicate DUKE ENERGY's interest in a particular proposal and its desire to obtain from the bidder additional detailed information that may not necessarily be contained in the proposal. Discussions with a bidder shall in no way be construed as commencing "negotiations" with a bidder. DUKE ENERGY intends to use such discussions as a method of reducing the number of proposals to those, if any, that DUKE ENERGY determines warrant further evaluation and, possibly, contract negotiations. If DUKE ENERGY intends to initiate discussions, it will notify the bidder of such intention and require the bidder of such proposal to confirm, in writing, the offer and representations contained in its original proposal.

- 5.2.3 If DUKE ENERGY is not interested in a particular proposal, it will notify the bidder as soon as practical after such determination is made.

5.3 Contract Negotiations

- 5.3.1 DUKE ENERGY will notify a bidder in writing of its interest in commencing contract negotiations with that bidder. DUKE ENERGY's commencement of and active participation in such negotiations shall not be construed as a commitment from DUKE ENERGY to execute a contract. If, however, a contract is successfully negotiated, it shall not be effective unless and until fully executed by DUKE ENERGY in accordance with its procedures and any and all required regulatory approvals have been received to DUKE ENERGY's satisfaction.
- 5.3.2 DUKE ENERGY will consider standard contracting formats in use by the industry or contracts proposed by bidders as the basis for any contract negotiations resulting from this RFP. DUKE ENERGY has contracted for capacity and energy using a variety of contract formats including the EEI and ISDA with Power Annex format contracts.
- 5.3.3 Bidders selected for the Short List will have the opportunity to refresh their pricing. Any short listed bidder that provides a refreshed price above that of the next best bid not on the short list may be disqualified from the short list at DUKE ENERGY's sole discretion.
- 5.3.4 During the contract negotiation phase, price will continue to be the primary evaluation factor. DUKE ENERGY will also be considering contract terms to determine the most attractive offer or set of offers.
- 5.3.5 DUKE ENERGY reserves the right at any time, during contract negotiations, at its sole discretion, to terminate or, once terminated, to resume negotiations with a bidder.
- 5.3.6 DUKE ENERGY will require that certain provisions be included in its contracts. Such provisions may include, but are not limited to, insurance, indemnification, performance guarantees, liquidated damages for non-performance, firm security (depending on the financial means and historical performance of the bidder), ability of DUKE ENERGY to reassign its entire rights, or a portion thereof, to the contract to another party, and a provision that allows DUKE ENERGY to terminate the contract in the event that certain state and

federal regulatory approvals are not received to the satisfaction of DUKE ENERGY.

- 5.3.7 This RFP contains general guidelines and requirements for developing and submitting proposals. Nothing herein shall be construed to bind DUKE ENERGY unless and until a contract with a bidder has been successfully negotiated, executed, and is effective. Once effective, the contract will govern the relationship between and responsibilities of the parties. The costs for responding to the RFP and any subsequent contract negotiations are the responsibility of the bidder.

Exhibit A
Schedule

The schedule as outlined below and referred to throughout this document is based on DUKE ENERGY's expectations as of the release date of this RFP.

Release of RFP	July 29, 2008
Notice of Intent to Bid	August 15, 2008
Proposal Submittal Deadline	August 29, 2008
Initial Selection of Short List	October 10, 2008
Complete Negotiations	1 st Quarter 2009

DUKE ENERGY reserves the right to extend or otherwise modify any portion of the schedule or terminate the RFP process at its sole discretion.

Exhibit B
NOTICE OF INTENT TO BID
Due by August 15, 2008

1. Upon reviewing the RFP, we plan to submit a proposal on the DUKE ENERGY OHIO RFP.

2. Bidder: _____

3. Contact: _____

4. Mailing Address: _____

e-mail address: _____

5. Tel Number: () _____ Fax Number: () _____

6. Signature of respondent:

Title: _____

Date: _____

Fax to: 816.822.3027 Burns & McDonnell
Attn: Jon Summerville

E-Mail to: DukeEnergyOhioRFP@burnsmcd.com

Exhibit C
Certification and Indemnity Agreement

THIS CERTIFICATION AND INDEMNITY AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2008, by and between Duke Energy Ohio, Inc. ("Duke Energy") and _____ ("Supplier").

WHEREAS, Supplier has submitted a Proposal to Duke Energy ("Proposal") in response to Duke Energy's Request for Proposals for Renewable Energy Resources beginning in 2008 ("RFP"), and

WHEREAS, the RFP provides general guidelines for the development and submission of such Proposal and entails the evaluation of such Proposal on the basis of its individual characteristics, as assessed by Duke Energy in accordance with economic assessments and operational considerations, and other pertinent factors, and

WHEREAS, Duke Energy will rely on the information set forth in the Proposal when making its assessments and determinations.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Supplier hereby certifies and agrees as follows:

Certification

Supplier hereby certifies, represents and warrants to Duke Energy as follows:

The Supplier understands that Duke Energy will rely on the representations contained in the Proposal and this Agreement in its evaluation and consideration of proposals submitted pursuant to the RFP. The Supplier further understands that its inability to substantiate and verify any such representation may result in the termination of further consideration and/or evaluation of Supplier's Proposal. All such representations made in the Proposal are true and accurate to the best of the Supplier's knowledge and belief.

Covenants

The Supplier covenants that:

At its own cost and expense (including reasonable attorney fees), Supplier shall defend Duke Energy and its respective subsidiaries, affiliates, successors and assigns, and each and every one of its respective past, present, or future officers, directors, trustees, employees, shareholders, executors, administrators, successors, and assigns, from and against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions, proceedings, or allegations of any kind which in any manner relate to, arise out of, or result from any false statement in the Proposal or breach of any covenant or representation set forth in this agreement by the Supplier.

Successors and Assigns

If the Supplier transfers the ownership, or an interest therein, in the Supplier's rights, interests or property, whether real or personal relating to Supplier's Proposal, the Supplier warrants that such transfer shall be pursuant to a transfer agreement that shall provide Duke Energy, subsidiaries, affiliates, successors and assigns, and each and every one of its respective past, present, or future officers, directors, trustees, employees, shareholders and agents, as well as their heirs, executors, administrators, successors and assigns with a degree of protection at least equivalent to that afforded them under this Agreement.

Certified and Agreed:

By:

Title:

Date:

Attest:

Exhibit D-Life of Asset PPA (30 Years)

Sample Term Sheet

Note to bidder: Provide a separate term sheet for each different Term or capacity offering

Product Unit Firm capacity as defined in the EEI Master Power Purchase and Sales Agreement, Schedule P.

Seller _____

Purchaser DUKE ENERGY OHIO, INC.

Transmission Interconnection Point _____

Delivery Point CIN.CGE Commercial Pricing Node within MISO

Gas Pricing Point _____

Term of Contract _____

Capacity Amount _____ MW
(Minimum of 50 MW)

DUKE ENERGY OHIO will evaluate any amount from minimum to Capacity Amount in increments of 50MW unless bidder so notes that only the Capacity Amount can be evaluated.

Energy As Scheduled

Scheduling Scheduling shall be performed to the maximum flexibility allowed by MISO and in accordance with the MISO Agreement.

Pricing Information:

a. Capacity Pricing

Capacity Price _____ (\$/MW-yr)

Year of Capacity Price Quote _____

Capacity Price Escalation/Year _____ (%)

b. Energy Pricing (Provide energy pricing in one of the following formats)

a. Escalating Price Over Term _____ (\$/MWh) Escalating at
_____ % per year

b. Production Cost Based

- i. Variable O&M _____ (\$/MWh)
- ii. Guaranteed Heat Rate (HHV) _____ (Btu/kwh)
- iii. Gas Pricing Point _____

(Variable O&M + Guaranteed Heat Rate * Gas Price over Term)

c. Scheduled Payment _____ (\$/MWh) in Year 1
_____ (\$/MWh) in Year 2
_____ (\$/MWh) in Year 3
...through end of Term

Year of Energy Price Quote _____

Note: Energy pricing to include all ancillary service costs, Midwest ISO charges, taxes and other fees necessary for delivery to the Delivery Point.

Guaranteed Heat Rate _____ Btu per kWh (HHV)

Guaranteed Availability _____%

Exhibit D-Ownership Offer –Life of Unit
Sample Term Sheet

Note to Bidder: Provide a separate term sheet for each different asset option offered

Resource _____

Primary Fuel Source _____

Primary Fuel Pricing Point _____

Secondary Fuel Source _____

Secondary Fuel Pricing Point _____

MISO Commercial Pricing Node _____

Seller _____

Purchaser **DUKE ENERGY OHIO, INC.**

Capacity Amount _____ MW
(Minimum of 50 MW)

DUKE ENERGY OHIO will evaluate any amount from minimum to Capacity Amount in increments of 50MW unless bidder so notes that only the Capacity Amount can be evaluated.

Energy As Scheduled

Scheduling Scheduling shall be performed to the maximum flexibility allowed by MISO and in accordance with the MISO Agreement.

Purchase Price (Provide purchase price in one of the following formats)

a. Fixed Purchase Price Over Life of Asset _____ (\$/MW-year)

b. Lump Sum Payment _____ (\$)
Lump Sum Payment Year \$\$ _____

Fixed O&M _____ (\$/MW-month)

Fixed O&M Escalation _____ (% per year)

Year of Fixed O&M Cost Quote _____

Variable O&M _____ (\$/MWh)

Variable O&M Escalation _____ (% per year)

Year of Variable O&M Cost Quote _____

Capital Spending Schedule Provide schedule of any upgrades or life extension efforts

Maintenance Spending Schedule Provide schedule of annual maintenance expenses

Guaranteed Heat Rate _____ Btu per kWh (HHV) minimum load (define MW load)
_____ Btu per kWh (HHV) 50% load
_____ Btu per kWh (HHV) 70% load
_____ Btu per kWh (HHV) 90% load
_____ Btu per kWh (HHV) 100% load (define MW load)

Availability Attach scheduled maintenance outages planned for next five years and equivalent forced outage performance for past five years (if from an existing resource).

Minimum run time _____ (hours)

Start time to Synchronization _____ (hours)

Start up Cost _____ (\$/start)

Start up Cost Escalation _____ (% per year)

Year of Start up Cost Quote _____

Ramp Rate _____ (MW/hour)