

DATE: _____

APPLICANT: _____

BENEFICIARY: DUKE ENERGY OHIO, INC.
550 SOUTH TRYON STREET
MAIL CODE: DEC40C
ATTN: CHIEF RISK OFFICER
CHARLOTTE, NC 28202

BY ORDER OF THE APPLICANT, WE HEREBY ISSUE OUR IRREVOCABLE LETTER OF CREDIT NO. _____ IN YOUR FAVOR FOR \$_____ U.S. DOLLARS AVAILABLE FOR PAYMENT AT SIGHT IN IMMEDIATELY AVAILABLE FUNDS AGAINST YOUR DRAFTS, IN THE FORM ATTACHED AS ANNEX 1, DRAWN ON _____ ("ISSUER") AND PRESENTED TO ISSUER AT _____, SIGNED BY AN AUTHORIZED OFFICER OR AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY AND ACCOMPANIED BY A DRAW CERTIFICATE IN THE FORM OF ATTACHED ANNEX 2 SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY.

CERTIFICATES SHOWING AMOUNTS IN EXCESS OF AMOUNTS AVAILABLE UNDER THIS LETTER OF CREDIT ARE ACCEPTABLE; HOWEVER, IN NO EVENT WILL PAYMENT(S) EXCEED IN AGGREGATE THE AMOUNT AVAILABLE TO BE DRAWN UNDER THIS LETTER OF CREDIT.

IF A DRAW CERTIFICATE PRESENTED DOES NOT COMPLY WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, THE ISSUER SHALL GIVE THE BENEFICIARY PROMPT NOTICE IN WRITING THAT ITS DRAW CERTIFICATE WAS NOT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WITH THE REASONS THEREFORE AND THAT THE ISSUER WILL HOLD THE DRAW CERTIFICATE AT THE BENEFICIARY'S DISPOSAL OR UPON REQUEST OF THE BENEFICIARY RETURN THE SAME TO THE BENEFICIARY. UPON BEING NOTIFIED THAT THE DRAW CERTIFICATE WAS NOT MADE IN COMPLIANCE WITH THIS LETTER OF CREDIT, THE BENEFICIARY MAY ATTEMPT TO CORRECT SUCH NON-COMPLIANCE TO THE EXTENT THAT THE BENEFICIARY IS ABLE TO DO SO AND RESUBMIT THE DRAW CERTIFICATE IN ACCORDANCE HERewith.

SPECIAL CONDITIONS

1. PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS ARE PERMITTED.

2. ALL DRAFTS UNDER THIS LETTER OF CREDIT MUST BEAR THE CLAUSE
“DRAWN UNDER LETTER OF CREDIT NO: _____ DATED:
_____.”

3. THIS LETTER OF CREDIT EXPIRES AT OUR COUNTERS ON _____
(WHICH DATE MAY BE EXTENDED IN THE MANNER PROVIDED HEREIN IS
REFERRED TO AS THE “EXPIRY DATE”). THE EXPIRY DATE SHALL BE DEEMED
AUTOMATICALLY EXTENDED WITHOUT AMENDMENTS FOR ONE YEAR FROM
THE EXPIRY DATE UNLESS AT LEAST NINETY (90) DAYS PRIOR TO THE THEN
APPLICABLE EXPIRY DATE, WE NOTIFY YOU IN WRITING BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED OR OVERNIGHT COURIER THAT WE ARE NOT
GOING TO EXTEND THE EXPIRY DATE. DURING SAID NINETY (90) DAY PERIOD,
THIS LETTER OF CREDIT SHALL REMAIN IN FULL FORCE AND EFFECT, UNLESS
CANCELLED AT THE REQUEST OF BENEFICIARY IN ACCORDANCE WITH
PARAGRAPH 5 BELOW PRIOR TO EXPIRY DATE.

4. WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN CONFORMITY
WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED
PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT AND IN ACCORDANCE
WITH THE BENEFICIARY’S PAYMENT INSTRUCTIONS, UPON PRESENTATION AT
OUR OFFICE ON OR BEFORE THE EXPIRY DATE. IF WIRE TRANSFER IS
REQUESTED BY THE BENEFICIARY, PAYMENT UNDER THIS LETTER OF CREDIT
WILL BE MADE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS TO
THE BENEFICIARY’S ACCOUNT AT ANY FINANCIAL INSTITUTION LOCATED IN
THE CONTINENTAL UNITED STATES. ALL PAYMENTS UNDER THIS LETTER OF
CREDIT WILL BE MADE IN OUR OWN FUNDS. PRESENTATION AT OUR OFFICE
INCLUDES PRESENTATION IN PERSON, BY CERTIFIED, REGISTERED, OR
OVERNIGHT MAIL TO THE ADDRESS SPECIFIED BELOW.

5. THIS LETTER OF CREDIT SHALL BE CANCELLED UPON RECEIPT BY US OF A
CERTIFICATE OF CANCELLATION, WHICH: (A) SHALL BE IN THE FORM OF ANNEX
3, WHICH IS ATTACHED HERETO, AND (B) SHALL BE COMPLETED AND SIGNED BY
AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY.

6. ALL BANK CHARGES ARE FOR THE ACCOUNT OF APPLICANT. EXCEPT AS
STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT,
CONDITION, OR QUALIFICATION. THE OBLIGATION OF _____
UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF
_____ AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH
RESPECT HERETO.

7. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED
WITHOUT OUR EXPRESS WRITTEN CONSENT AND THE CONSENT OF THE
APPLICANT AND THE BENEFICIARY; PROVIDED HOWEVER, THAT THE CONSENT
OF BENEFICIARY SHALL NOT BE REQUIRED IN TO INCREASE THE AMOUNT

AVAILABLE UNDER THE LETTER OF CREDIT OR TO EXTEND THE EXPIRY DATE OF THE LETTER OF CREDIT.

8. DRAFTS ACCOMPANIED BY DOCUMENTS, AS SPECIFIED ABOVE, MUST BE PRESENTED AT OUR OFFICE NOT LATER THAN 5 PM NEW YORK TIME ON THE THEN CURRENT EXPIRY DATE.

9. WE SHALL HAVE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED TWO (2) BUSINESS DAYS FOLLOWING THE DATE OF OUR RECEIPT OF DRAWING DOCUMENTS, TO EXAMINE THE DOCUMENTS AND DETERMINE WHETHER TO TAKE UP OR REFUSE THE DOCUMENTS AND TO INFORM YOU ACCORDINGLY. WE HEREBY AGREE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE PROMPTLY HONORED UPON PRESENTATION TO US AS SPECIFIED HEREIN.

10. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98"), AND AS TO MATTERS NOT ADDRESSED BY ISP98 WILL BE INTERPRETED UNDER THE LAWS OF THE STATE OF NEW YORK. IN THE EVENT OF CONFLICT BETWEEN ISP 98 AND A NON-MANDATORY PROVISION OF SUCH LAW, ISP 98 SHALL GOVERN.

11. ISSUER HEREBY CERTIFIES THAT, AS OF THE EFFECTIVE DATE OF THIS LETTER OF CREDIT THAT IT HAS A SENIOR UNSECURED DEBT RATING OF AT LEAST "A" FROM STANDARD & POOR'S RATING SERVICE OR "A2" FROM MOODY'S RATING SERVICE, WITH TOTAL ASSETS GREATER THAN FIVE BILLION U.S. DOLLARS (\$5,000,000,000).

12. IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS LETTER OF CREDIT, PLEASE CALL US AT _____.

VERY TRULY YOURS,

This is an integral part of letter of credit number: _____

ANNEX 1

FORM OF DRAW CERTIFICATE

DRAWN UNDER LETTER OF CREDIT NO. _____ DATED

TO: _____
FOR THE VALUE RECEIVED, PAY TO THE ORDER OF _____ BY WIRE TRANSFER OF
IMMEDIATELY AVAILABLE FUNDS TO THE FOLLOWING ACCOUNT:

THE FOLLOWING AMOUNT:

_____ UNITED STATES DOLLARS
(US\$ _____)

DUKE ENERGY OHIO, INC.

By: _____
Title: _____

This is an integral part of letter of credit number: _____

ANNEX 2

FORM OF DRAW CERTIFICATE

To: _____

Drawn under letter of credit no: _____ (the "Letter of Credit")

Dated: _____

The undersigned hereby certifies that the undersigned is an authorized representative of Duke Energy Ohio, Inc, the Beneficiary of the Letter of Credit, and hereby further certifies as follows:

Beneficiary is drawing the funds requested under this Letter of Credit based on the below specified draw condition:

Check appropriate draw condition:

☐ One or more event of default has occurred with respect to _____ under that certain [Name of Agreement] between Duke Energy Ohio, Inc. and _____ dated as of _____ (the "Agreement") and such event of default has not been cured within the applicable cure period, if any, provided for in the Agreement.

Or

☐ _____ is required, pursuant to the terms of the [Agreement/Tariff/ Applicable Credit Requirements], to maintain a letter of credit in favor of Beneficiary, has failed to renew or replace the Letter of Credit and the Letter of Credit has less than thirty (30) days until the expiration thereof.

Or

☐ The Issuer's senior unsecured debt rating has fallen below "A" from Standard & Poor's Rating Service or the senior unsecured debt rating of "A2" from Moody's Rating Service, with total assets greater than five billion U.S. dollars (\$5,000,000,000). and _____ has failed to obtain a substitute Letter of Credit from another bank or other financial institution that meets the above stated credit requirements.

DUKE ENERGY OHIO, INC.

By: _____

Title: _____

ANNEX 3

FORM OF CERTIFICATE FOR CANCELLATION

IRREVOCABLE LETTER OF CREDIT NO. _____

To: _____

The undersigned, an authorized officer or authorized representative of Duke Energy Ohio, Inc. (DE Ohio), hereby certifies to the Issuer that Duke Energy, Ohio, Inc. requests the cancellation of Letter of Credit No: _____.

Therefore, Duke Energy Ohio, Inc. has executed and delivered this Certificate for Cancellation as of _____.

Duke Energy Ohio, Inc.

By: _____

Title: _____