



Jack E. Jirak
Deputy General Counsel

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September 22, 2023

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's
Residential Tariffed On-Bill Program Compliance Tariff and Pro
Forma Agreement (Clean and Marked)
Docket Nos. E-7 Sub 1279 & E-2, Sub 1309**

Dear Ms. Dunston:

Enclosed for filing with the Commission in the above-referenced dockets are Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's compliance tariff and pro forma participant agreement as required by the Commission's August 23, 2023 *Order Approving Residential Tariffed On-Bill Program with Modifications*. Please note that while the pro forma agreement references Duke Energy Progress, LLC in the preamble and signature line, this agreement also applies Duke Energy Carolinas, LLC.

If you have any questions, please let me know.

Sincerely,

Jack E. Jirak

Enclosures

cc: Parties of Record

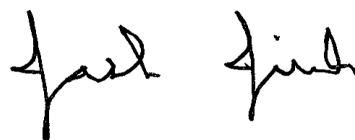
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Sep 22 2023

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Compliance Tariffs, in Docket Nos. E-7, Sub 1279 and E-2, Sub 1309, has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid, properly addressed to parties of record.

This is the 22nd day of September 2023.



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Duke Energy Corporation
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TARIFFED ON-BILL PROGRAM (NC)

PURPOSE

The purpose of the Tariffed On-Bill (TOB) program (the “Program”) is to enable customers to make investments in energy efficiency upgrades that will be repaid as part of their electric bill through a Monthly Service Charge.

AVAILABILITY

Available to individually metered residential customers receiving concurrent service under a residential rate schedule.

The proposed project must also be approved by Duke Energy Carolinas, LLC (the “Company”), at its sole discretion. Projects will be screened to determine whether estimated energy savings resulting from the upgraded measures exceed the customer costs. If energy savings do not exceed the customer costs, then the Company may require the customer to make a co-payment to participate. Projects must have an estimated energy savings, after the application of a co-payment if applicable, that is at least 10% greater than the Monthly Service Charge.

LIST OF ELIGIBLE MEASURES

The Program is limited to energy efficiency measures that have been filed with the North Carolina Utilities Commission. A list of eligible measures (“Measures”) can be found on the Company’s website. Measures may include, but are not limited to, the following:

- Heating Ventilation and Air Conditioning (HVAC) equipment, service, and controls, including smart thermostats
- Thermal boundary improvements
- HVAC duct sealing and replacement
- Heat Pump Water Heaters
- Other high efficiency equipment, products, and services as determined by the Company on a case-by-case basis.

CUSTOMER OR PARTICIPANT AGREEMENT

To participate in the Program, the Duke Energy account holder at the participating location and the property owner, if different, must sign the Owner Participant Agreement. Participation in the Program will not require a credit check.

ACCOUNT STATUS

A residential customer’s account shall be current and not be on an active installment payment before an in-home assessment may be scheduled and before the installation of any Measures.

EXISTING BUILDINGS

To qualify for participation in the Program the Company must determine that an existing property is habitable for residential customers for the entire projected repayment period. Properties that the Company deems uninhabitable may be deemed habitable after improvements and upon inspection by the Company or an authorized agent. The Company, at its sole discretion, retains the right to deem properties habitable and to determine the appropriate improvements.

PARTICIPANT CO-PAYMENT

A participant has the option to make a co-payment at the beginning of the project to reduce the overall amount subject to repayment. Only the amount due for repayment would be subject to the Company’s approved rate of return.

PARTICIPANT REPAYMENT COSTS

The Company will recover the full cost of the upgrades including installation and its approved rate of return. These costs are assigned to the location (point of service or meter) where Measures are installed and paid by Customers occupying that location until all costs specified in the Owner Participant Agreement, as applicable, have been recovered.

TARIFFED ON-BILL PROGRAM (NC)

Monthly Service Charge = (Total Amount Paid for Measures minus the incentive payment and minus the Participant Co-Payment) * Approved Rate of Return in the Company's most recently approved rate case at the time of the Owner Participant Agreement/Term Length

If Monthly Service Charges are temporarily suspended for any reason or the Company has no customer at the location for a period of time, the term of recovery may be extended for an equivalent period of time, but in any event the Repayment Period will not exceed 12 years.

COST RECOVERY

No sooner than 30 days after the Company or its authorized agent notifies the customer of a completed project the Customer shall be billed the Monthly Service Charge in accordance with this tariff and the Owner Participant Agreement. The Company will bill and collect Monthly Service Charges until cost recovery is complete, except as described below. Prepayment of unbilled charges will not be permitted unless early termination and a final bill have been requested.

An account holder may request early termination and a final bill for all remaining payments at any time. When a customer requests early termination and a final bill for remaining payments, then amount due shall exclude the approved rate of return on the unpaid balance.

The Company will bill and collect Monthly Service Charges until the Company recovers all costs as described above.

VACANCY

If a location at which Measures have been installed becomes vacant and electric service is disconnected, the Monthly Service Charges will be suspended until such time as electric service is restored. If a property owner maintains service at an unoccupied residence, the Monthly Service Charges may revert to the property owner, as described in the Owner Participant Agreement as applicable. In buildings with multiple rental units, the Company may require a property owner to maintain service for locations receiving Program Measures.

TERMINATION OF SERVICE CHARGE

Monthly Service Charges will no longer be billed after the Company has recovered the full cost of the Measure(s) and applicable fees, as described in the Owner Participant Agreement as applicable.

TIED TO THE LOCATION

Until Monthly Service Charges are terminated, as described herein, the terms of this tariff together with the terms of the relevant "Owner Participant Agreement" shall be binding on any future account holder who shall receive service at a participating location.

DISCONNECTION FOR NON-PAYMENT

The Monthly Service Charges shall be considered an essential part of the Customer's bill for electric service and will be subject to the same payment terms and conditions as regular electric service.

MAINTENANCE OF MEASURES

Participating Customers and property owners, if different, must keep the Measures in place for the duration of Monthly Service Charges, maintain the Measures per the manufacturers' instructions, and report any failure of any Measures to the Company and/or the Company's Program operator as soon as possible and no more than 30 days after discovery of the malfunction. Participating Customers and building owners must also agree to allow the Company and/or the Company's TOB Program operator access to perform maintenance and make repairs or adjustment to the Measures. The next Monthly Service Charge may be suspended if it cannot be repaired within five business days of notice to the Company or the Company's Program operator and may remain suspended until repairs are complete and equipment is operable. In the event, the billing cycle has commenced before the notification has been recorded, then customer may request a credit. Payment amounts will not be pro-rated.

TARIFFED ON-BILL PROGRAM (NC)**REPAIRS**

If, during the repayment period, the Company or its agent determines that a Measure is no longer functioning as intended and that the failure was not caused by the property owner/occupant, or other occupants in the residence, the Company will arrange for repair of the Measure and may elect to suspend Monthly Service Charges until repairs are complete.

If the Company determines that the property owner/occupant or other occupants in the residence deliberately caused the Measure's failure or that the Measure's failure was the result of gross negligence or willful misconduct, the Company may, in its sole discretion, seek to recover the costs of repairs from the Customer and/or seek immediate recovery of all remaining costs not to exceed the full cost of the Measure and applicable fees as specified in the Owner Participant Agreement as applicable. The Company may only invoke accelerated cost recovery of the Measures in the case of willful misconduct or gross negligence.

If the Company is not responsible for maintenance and repairs per the terms of the Owner Participant Agreement then this does not apply.

NOTIFICATION TO SUCCESSOR CUSTOMERS

The Company will file Electricity Provider Notice of Tariffed on-Bill notice of the TOB charge in the real estate record.

The Owner Participant Agreement will include a requirement that any successive owner, or any future tenant who will be an account holder at the location, is provided successor owner notice or successor renter notice, as applicable, of that location's enrollment in a tariffed on-bill program.

A landlord would be subject to a remedy as set forth in the Owner Participant Agreement for violating the terms of the Owner Participant Agreement.

The Company will also inform a successor account holder at the time of setting up a new service at a participating property that the monthly electric bill will include Monthly Service Charges.

GENERAL

Services and offerings under this Program are subject to the authority of the North Carolina Utilities Commission and are subject to changes or other modifications lawfully made thereby.

PAYMENT

Bills are due when rendered and are payable within 25 days from the date of the bill. If any bill is not so paid, Company has the right to suspend service in accordance with its Service Regulations. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of 1% and Regulations of the North Carolina Utilities Commission.

TARIFFED ON-BILL PROGRAM (NC)

PURPOSE

The purpose of the Tariffed On-Bill (TOB) program (the “Program”) is to enable customers to make investments in energy efficiency upgrades that will be repaid as part of their electric bill through a Monthly Service Charge.

AVAILABILITY

Available to individually metered residential customers receiving concurrent service under a residential rate schedule.

The proposed project must also be approved by Duke Energy Carolinas, LLC (the “Company”), at its sole discretion. Projects will be screened to determine whether estimated energy savings resulting from the upgraded measures exceed the customer costs. If energy savings do not exceed the customer costs, then the Company may require the customer to make a co-payment to participate. Projects must have an estimated energy savings, after the application of a co-payment if applicable, that is at least 10% greater than the Monthly Service Charge.

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CUSTOMER OR PARTICIPANT AGREEMENT

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ACCOUNT STATUS

A residential customer’s account shall be current and not be on an active installment payment before an in-home assessment may be scheduled and before the installation of any ~~m~~Measures.

EXISTING BUILDINGS

To qualify for participation in the Program the Company must determine that an existing property is habitable for residential customers for the entire projected repayment period. Properties that the Company deems uninhabitable may be deemed habitable after improvements and upon inspection by the Company or an authorized agent. The Company, at its sole discretion, retains the right to deem properties habitable and to determine the appropriate improvements.

PARTICIPANT CO-PAYMENT

A participant has the option to make a co-payment at the beginning of the project to reduce the overall amount subject to repayment. Only the amount due for repayment would be subject to the Company’s approved rate of return.

PARTICIPANT REPAYMENT COSTS

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TARIFFED ON-BILL PROGRAM (NC)

Monthly Service Charge = (Total Amount Paid for Measures minus the incentive payment and minus the Participant Co-Payment) * Approved Rate of Return in the ~~e~~C Company's most recently approved rate case at the time of the Owner Participant Agreement/Term Length

If Monthly Service Charges are temporarily suspended for any reason or the Company has no customer at the location for a period of time, the term of recovery may be extended for an equivalent period of time, but in any event the Repayment Period will not exceed ~~twelve~~ 12 years.

COST RECOVERY

No sooner than 30 days after the Company or its authorized agent notifies the customer of a completed project the Customer shall be billed the Monthly Service Charge ~~as determined by the Company in accordance with this tariff and the Owner Participant Agreement~~. The Company will bill and collect Monthly Service Charges until cost recovery is complete, except as described below. Prepayment of unbilled charges will not be permitted ~~unless early termination and a final bill have been requested~~.

An account holder may request early termination and a final bill for all remaining payments at ~~the time of discontinuing service, starting service, or transferring service to a new owner or occupant~~ any time. When a customer requests early termination and a final bill for remaining payments, then amount due shall exclude the approved rate of return on the unpaid balance.

The ~~e~~C Company will bill and collect Monthly sService ~~e~~Charges until the ~~e~~C Company recovers all costs as described above.

VACANCY

If a location at which Measures have been installed becomes vacant and electric service is disconnected, the ~~m~~M Monthly Service Charges will be suspended until such time as electric service is restored. If a property owner maintains service at an unoccupied residence, the Monthly Service Charges may revert to the property owner, as described in the "Owner Participant Agreement" as applicable. In buildings with multiple rental units, the Company may require a property owner to maintain service for locations receiving Program Measures.

TERMINATION OF SERVICE CHARGE

Monthly Service Charges will no longer be billed after the Company has recovered the full cost of the ~~m~~M Measure(s) and applicable fees, as described in the "Owner Participant Agreement" as applicable.

TIED TO THE LOCATION

Until Monthly Service Charges are terminated, as described herein, the terms of this tariff together with the terms of the relevant "Owner Participant Agreement" shall be binding on any future account holder who shall receive service at a participating location.

DISCONNECTION FOR NON-PAYMENT

The Monthly Service Charges shall be considered an essential part of the Customer's bill for electric service, and ~~The Company may disconnect electric service for non-payment of Service Charges, subject to any applicable North Carolina Utility Commission rules or policies~~ will be subject to the same payment terms and conditions as regular electric service.

MAINTENANCE OF MEASURES

Participating Customers and property owners, if different, must keep the Measures in place for the duration of Monthly Service Charges, maintain the Measures per the manufacturers' instructions, and report any failure of any Measures to the Company and/or the Company's Program operator as soon as possible and ~~within five business days~~ no more than 30 days after discovery of the malfunction. Participating Customers and building owners must also agree to allow the Company and/or the Company's TOB ~~p~~Program operator access to perform maintenance and make repairs or adjustment to the Measures. The next ~~monthly payment~~ Monthly Service Charge will may be suspended if it cannot be repaired within five business days of notice to the Company or the Company's Program operator and may remain suspended until repairs are complete and equipment is operable. In the event,

TARIFFED ON-BILL PROGRAM (NC)

the billing cycle has commenced before the notification has been recorded, then customer may request a credit. Payment amounts will not be pro-rated.

REPAIRS

If, during the repayment period, the Company or its agent determines that a Measure is no longer functioning as intended and that the failure was not caused by the property owner/occupant, or other occupants in the residence, the Company will arrange for repair of the Measure and may elect to suspend Monthly Service Charges until repairs are complete.

If the Company determines that the property owner/occupant or other occupants in the residence ~~caused~~, deliberately ~~or negligently~~, ~~the Measure's failure~~ caused the Measure's failure or that the Measure's failure was the result of gross negligence or willful misconduct, the Company may, in its sole discretion, seek to recover the costs of repairs from the Customer and/or seek immediate recovery of all remaining costs not to exceed the full cost of the Measure and applicable fees as specified in the "Owner Participant Agreement" as applicable. The Company may only invoke accelerated cost recovery of the Measures in the case of willful misconduct or gross negligence.

If the Company is not responsible for maintenance and repairs per the terms of the "Owner Participant Agreement" then this does not apply.

NOTIFICATION TO SUCCESSOR CUSTOMERS

The Company will file Electricity Provider Notice of Tariffed on-Bill notice of the TeOB charge in the real estate record.

The "Owner Participant Agreement" will include a requirement that any successive owner, or any future tenant who will be an account holder at the location, ~~are is~~ provided successor owner notice or successor renter notice, as applicable, of that location's enrollment in a tariffed on-bill program.

A landlord would be subject to a remedy as set forth in the "Owner Participant Agreement" for violating the terms of the "Owner Participant Agreement".

The Company will also inform a successor account holder at the time of setting up a new service at a participating property that the monthly electric bill will include Monthly Service Charges.

GENERAL

Services and offerings under this Program are subject to the authority of the North Carolina Utilities Commission and are subject to changes or other modifications lawfully made thereby.

PAYMENT

Bills are due when rendered and are payable within 25 days from the date of the bill. If any bill is not so paid, Company has the right to suspend service in accordance with its Service Regulations. In addition, any bill not paid on or before the expiration of 25 days from the date of the bill is subject to an additional charge of 1% and Regulations of the North Carolina Utilities Commission.

RESIDENTIAL SERVICE – TARIFFED ON-BILL PROGRAM
PROGRAM - TOB

PURPOSE

The purpose of the Residential Service Tariffed On-Bill Program (the “Program”) enables customers to make investments in energy efficiency upgrades that will be repaid as part of the monthly electric bill associated with the premises through a Monthly Service Charge.

AVAILABILITY

Available to individually metered residential customers receiving concurrent service under a residential rate schedule.

The proposed project must also be approved by Duke Energy Progress, LLC (the “Company”), at its sole discretion. Projects will be screened to determine whether estimated energy savings resulting from the upgraded measures exceed the customer costs. If energy savings do not exceed the customer costs, then the Company may require the customer to make a co-payment to participate. Projects must have an estimated energy savings, after the application of a co-payment if applicable, that is at least 10% greater than the Monthly Service Charge.

LIST OF ELIGIBLE MEASURES

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- Other high efficiency equipment, products, and services as determined by the Company on a case-by-case basis.

CUSTOMER OR PARTICIPANT AGREEMENT:

To participate in the Program, the Duke Energy account holder at the participating location and the property owner, if different, must sign the Owner Participant Agreement. Participation in the Program will not require a credit check.

ACCOUNT STATUS

A residential customer’s account shall be current and not be on an active installment payment before an in-home assessment may be scheduled and before the installation of any Measures.

EXISTING BUILDINGS

To qualify for participation in the Program, the Company must determine that an existing property is habitable for residential customers for the entire projected repayment period. Properties that the Company deems uninhabitable may be made habitable after improvements and upon inspection by the Company or an authorized agent. The Company, at its sole discretion, retains the right to deem properties habitable and to determine the appropriate improvements.

PARTICIPANT CO-PAYMENT

A participant may be required to make a co-payment at the beginning of the project to reduce the overall amount subject to repayment and meet the required net bill savings threshold. Only the amount due for repayment would be subject to the Company's approved rate of return.

PARTICIPANT REPAYMENT COSTS

The Company will recover the full cost of the upgrades including installation, and its approved rate of return. These costs are assigned to the location (point of service or meter) where Measures are installed and paid by Customers occupying that location until all costs specified in the Owner Participant Agreement, as applicable, have been recovered.

Monthly Service Charge = (Total Amount Paid for Measures minus the incentive payment and minus the Participant Co-Payment) * Approved Rate of Return in the Company's most recently approved rate case at the time of the Owner Participant Agreement and Term Length are established.

If Monthly Service Charges are temporarily suspended for any reason or the Company has no customer at the location for a period of time, the term of recovery may be extended for an equivalent period, but in any event the Repayment Period will not exceed twelve (12) years.

COST RECOVERY

No sooner than 30 days after the Company or its authorized agent notifies the customer of a completed project the Customer shall be billed the Monthly Service Charge in accordance with this tariff and the Owner Participant Agreement. The Company will bill and collect Monthly Service Charges until cost recovery is complete, except as described below. Prepayment of unbilled charges will not be permitted unless early termination and a final bill have been requested.

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The Company will bill and collect Monthly Service Charges until the Company recovers all costs as described above.

VACANCY

NC Original Leaf No. 721
Effective for service rendered on and after September 22, 2023
NCUC Docket No. E-2, Sub 1309

If a location at which Measures have been installed becomes vacant and electric service is disconnected, the Monthly Service Charges will be suspended until such time as electric service is restored. If a property owner maintains service at an unoccupied residence, the Monthly Service Charges may revert to the property owner, as described in the Owner Participant Agreement as applicable. In buildings with multiple rental units, the Company may require a property owner to maintain service for locations receiving Program Measures.

TERMINATION OF SERVICE CHARGE

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TIED TO THE LOCATION

Until Monthly Service Charges are terminated, as described herein, the terms of this tariff together with the terms of the relevant Owner Participant Agreement shall be binding on any future account holder who shall receive service at a participating location.

DISCONNECTION FOR NON-PAYMENT

The Monthly Service Charges shall be considered an essential part of the Customer's bill for electric service, and will be subject to the same payment terms and conditions as regular electric service.

MAINTENANCE OF MEASURES

Participating Customers and property owners, if different, must keep the Measures in place for the duration of Monthly Service Charges, maintain the Measures per the manufacturers' instructions, and report any failure of any Measures to the Company and/or the Company's Program operator as soon as possible and no more than 30 days after discovery of the malfunction. Participating Customers and building owners must also agree to allow the Company and/or the Company's TOB Program operator access to perform maintenance and make repairs or adjustments to the Measures. The next Monthly Service Charge may be suspended if it cannot be repaired within five (5) business days of notice to the Company or the Company's Program operator and may remain suspended until repairs are complete and equipment is operable. In the event, the billing cycle has commenced before the notification has been recorded, then customer may request a credit. Payment amounts will not be pro-rated.

REPAIRS

If, during the repayment period, the Company or its agent determines that a Measure is no longer functioning as intended and that the failure was not caused by the property owner/occupant, or other occupants in the residence, the Company will arrange for repair of the Measure and may elect to suspend Monthly Service Charges until repairs are complete.

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of the Measure and applicable fees as specified in the Owner Participant Agreement as applicable. The Company may only invoke accelerated cost recovery of the Measures in the case of willful misconduct or gross negligence.

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The Company will also inform a successor account holder at the time of setting up a new service at a participating property that the monthly electric bill will include Monthly Service Charges.

GENERAL

Services and offerings under this Program are subject to the authority of the North Carolina Utilities Commission and are subject to changes or other modifications lawfully made thereby.

PAYMENTS

Bills are due when rendered and are payable within 25 days from the date of the bill. If any bill is not so paid, Company has the right to suspend service in accordance with its Service Regulations. In addition, any bill not paid on or before the expiration of twenty-five (25) days from the date of the bill is subject to an additional charge of 1% and Regulations of the North Carolina Utilities Commission.

RESIDENTIAL SERVICE – TARIFFED ON-BILL PROGRAM ~~TARIFF – ELECTRIC CUSTOMER~~
~~MONTHLY CHARGE~~
PROGRAM - TOB

PURPOSE

The purpose of the Residential Service Tariffed On-Bill Program ~~Tariff – Electric Customer Monthly Charge program~~ (the “Program”) enables customers to make investments in energy efficiency upgrades that will be repaid as part of the monthly electric bill associated with the premises through a Monthly Service Charge.

AVAILABILITY

Available to individually metered residential customers receiving concurrent service under a residential rate schedule.

The proposed project must also be approved by Duke Energy Progress, LLC (the “Company”), at its sole discretion. Projects will be screened to determine whether estimated energy savings resulting from the upgraded measures ~~that~~ exceed the customer’s costs. If energy savings do not exceed the customer’s costs, then the Company may require the customer to make a co-payment to participate. Projects must have an estimated energy savings, after the application of a co-payment if applicable, that is at least 10% greater than the Monthly Service Charge.

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ACCOUNT STATUS

A residential customer’s account shall be current and not be on an active installment payment before an in-home assessment may be scheduled and before the installation of any ~~measures~~ Measures.

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The Monthly Service Charges shall be considered an essential part of the Customer’s bill for electric service, and ~~the Company may disconnect electric service for non-payment of Monthly Service Charges, subject to any applicable North Carolina law and Utility Commission rules or policies.~~ will be subject to the same payment terms and conditions as regular electric service.

MAINTENANCE OF MEASURES

Participating Customers and property owners, if different, must keep the Measures in place for the duration of Monthly Service Charges, maintain the Measures per the manufacturers' instructions, and report any failure of any Measures to the Company and/or the Company’s Program operator as soon as possible and, ~~in any event, within five (5) business days no more than 30 days after discovery of the malfunction.~~ Participating Customers and building owners must also agree to allow the Company and/or the Company’s TOB Program operator access to perform maintenance and make repairs or adjustments to the Measures. The next Monthly Service Charge may be suspended if it cannot be repaired within five (5) business days of notice to the Company or the Company’s Program operator and may remain suspended until repairs are complete and equipment is operable. In the event, the billing cycle has commenced before the notification has been recorded, then customer may request a credit. Payment amounts will not be pro-rated.

REPAIRS

If, during the repayment period, the Company or its agent determines that a Measure is no longer functioning as intended and that the failure was not caused by the property owner/occupant, or other occupants in the

residence, the Company will arrange for repair of the Measure and may elect to suspend Monthly Service Charges until repairs are complete.

If the Company determines that the property owner/occupant or other occupants in the residence ~~caused, deliberately or negligently, caused~~ the Measure's failure or that the Measure's failure was the result of gross negligence or willful misconduct, the Company may, in its sole discretion, seek to recover the costs of repairs from the Customer and/or seek, in addition to cost of repairs, immediate recovery of all remaining costs not to exceed the full cost of the Measure and applicable fees as specified in the "Owner Participant Agreement" as applicable. The Company may only invoke accelerated cost recovery of the Measures in the case of willful misconduct or gross negligence.

If the Company is not responsible for maintenance and repairs per the terms of the "Owner Participant Agreement" then this does not apply.

NOTIFICATION TO SUCCESSOR CUSTOMERS

The Company will file Electricity Provider Notice of Tariffed on-Bill notice of a TOB charge in the real estate record.

The "Owner Participant Agreement" will include a requirement that any successive owner, or any future tenant who will be an account holder at the location, is provided successor owner notice or successor renter notice, as applicable, of that location's enrollment in a tariffed on-bill program.

A landlord would be subject to a remedy as set forth in the "Owner Participant Agreement" for violating the terms of the "Owner Participant Agreement".

The Company will also inform a successor account holder at the time of setting up a new service at a participating property that the monthly electric bill will include Monthly Service Charges.

GENERAL

Services and offerings under this Program are subject to the authority of the North Carolina Utilities Commission and are subject to changes or other modifications lawfully made thereby.

PAYMENTS

Bills are due when rendered and are payable within 25 days from the date of the bill. If any bill is not so paid, Company has the right to suspend service in accordance with its Service Regulations. In addition, any bill not paid on or before the expiration of twenty-five (25) days from the date of the bill is subject to an additional charge of 1% and Regulations of the North Carolina Utilities Commission.

OWNER PARTICIPANT AGREEMENT

THIS OWNER PARTICIPANT AGREEMENT (“Agreement”), is made this ____ day of _____ by and between Duke Energy Progress, LLC a North Carolina limited liability company (“Utility”) and [insert owner name] (“Owner”) (collectively the “Parties”). Hereinafter Utility and Owner may be individually known as a “Party” and collectively as the “Parties.”

WHEREAS, Owner owns [and resides at] the property, consisting of a single family residence, located at [Insert Property Address] (the “Property”);

WHEREAS, the Property is located in Utility’s service territory and occupants residing at the Property are electric customers of the Utility and Owner desires to participate in the Utility’s TOB Program (as defined below) pursuant to which certain energy efficiency improvements will be made to the Property, as further described in Section 1 of this Agreement (the “Upgrades”);

WHEREAS, Utility is willing to provide the upfront payment for the procurement and installation of the Upgrades through its Tariffed on Bill Energy Efficiency Program approved by the North Carolina Utilities Commission (“Commission”), as may be modified from time to time (the “TOB Program”);

WHEREAS, in accordance with the TOB Program the Utility is authorized to recover the cost paid by the Utility for the Upgrades (“Upgrade Costs”) from the current electric customer(s) at the Property and subsequent electric customers (collectively “Current and Future Customers”) through a service charge on the customer’s monthly electric utility bill (“Upgrade Service Charges”) and pursuant to the terms of this Agreement;

WHEREAS, the TOB Program is being administered by a Program Operator under contract with Utility (“Program Operator”) and the current Program Operator is [_____];

WHEREAS, Owner has provided an upfront Co-Payment toward the Upgrade Costs as invoiced by the Program Operator or its agent as specified below;

NOW, THEREFORE, each Party acknowledges and agrees as follows:

1. **UPGRADES.** In accordance with the TOB Program and subject to the terms of this Agreement, Utility agrees to provide the below specified Upgrade Costs and to purchase and install the below described Upgrades at the Property. The Upgrades may be installed by the Utility or by a Utility approved contractor. Owner agrees to allow Utility or its contractor access to the Property for the installation, repair and inspection of the Upgrades upon reasonable notice.
 - A. The Upgrades to be installed at the Property are:

[describe Upgrades – if description is lengthy an exhibit page can be attached]
 - B. Co-Payment received from Owner if any:

[insert amount of Co-Payment]
 - C. The Upgrade Costs to be paid by Utility are:

[insert amount of (Upgrade costs) – (Co-Payment received) = Upgrade Costs]

2. **UPGRADE SERVICE CHARGE.** The Upgrade Costs shall be recovered by the Utility through a monthly service charge (“Upgrade Service Charge”) charged to the electric utility bill of the then current customer taking service at the Property. The Upgrade Service Charge will be charged to the customer account of record at the Property until repaid, regardless of actual usage at the Property.

- A. The monthly Upgrade Service Charge[, which includes a \$____ Program Operator fee] is:

[Insert monthly Upgrade Service Charge]

- B. The total Upgrade Service Charge to be made during the repayment term will be:

[Insert total Upgrade Service Charge over the term]

3. **ESTIMATED ENERGY EFFICIENCIES.** The annual electricity savings at the Property after the Upgrades have been completed is estimated to be as follows:

- A. [Insert the estimated annual savings (in kilowatt hours and dollars)]

The estimated annual electricity savings specified in this Agreement are based on the results of the energy efficiency analysis conducted at the Property on [date] and on the following assumptions:

- average electricity charges at the Property over the past [____ months] of:
[Insert average electricity charges over the past ____ months]
- [insert other assumptions as applicable]

Actual energy usage at the Property may vary based on usage patterns and other factors beyond the Utility’s control and nothing stated herein is intended as a guaranty of a reduction in the actual electricity usage at the Property.

4. **TERM.** This Agreement will remain in effect until all Upgrade Costs have been recovered by the Utility or until this Agreement is otherwise terminated in accordance with the terms of this Agreement.
5. **REPAYMENT PERIOD.** The initial repayment period for the Upgrade Service Charges shall be ten (10) years of regular payment, provided however, if at any time during the Term, the Utility has no electric service customer of record at the Property, the repayment period will be extended for an equivalent period of time, but not to exceed twelve (12) years, and the Utility will continue to collect Upgrade Service Charges from Current or Future Customers at the Property during that extended Term until the Upgrade Service Charges have been recovered in full.
6. **NO PREPAYMENT.** Owner acknowledges that Upgrade Service Charges cannot be pre-paid unless in connection with an early termination as permitted under Section 15(C). In the absence of a request for early termination, any payment made to the Utility in excess

of current charges will be held as a credit on the appropriate customer account and applied to charges, including electric charges, as they become due. During the Term of this Agreement, Utility will provide Owner with an accounting of Upgrade Service Charges received so far and remaining Upgrade Service Charges upon request.

7. **PAYMENT OBLIGATION TIED TO LOCATION.** Owner acknowledges that pursuant to the TOB Program approved by the Commission, Current and Future Customers at the Property are obligated to pay the Utility Service Charges for cost recovery as provided in this Agreement.
8. **SERVICE TO REVERT TO OWNER.** It is the intent of the Parties that electric service will be maintained at the Property for the entire Term. If Owner is not residing at the Property and where there is no tenant residing and taking electric service at the Property the Owner shall have electric service revert to Owner, and the account holder will be responsible for the Upgrade Service Charges incurred during such periods of non-tenancy.
9. **NOTIFICATIONS BY OWNER TO TENANTS AND SUBSEQUENT OWNERS.** In order to provide advance notice to Future Customers and subsequent owners of the Property, Owner agrees as follows:
 - A. Owner or its leasing agent or subsequent owner, as applicable, shall notify any future tenant that a monthly Upgrade Service Charge will be charged to the tenant's electric utility bill at the Property.
 - B. Owner will notify any successive owner of the Property prior to of the execution of any purchase agreement or transfer of Property ownership that a monthly Upgrade Service Charge will be charged to the tenant's electric utility bill at the Property.
10. **NOTIFICATION BY UTILITY TO FUTURE CUSTOMERS.** In further effort to provide notice to Future Customers the Utility shall provide the following notices:
 - A. Prior to the commencement of new service at the Property, Utility shall provide notice to prospective new customers seeking service at any Property that Utility Service Charges are tied to the Property and will be the obligation of Future Customers.
 - B. Utility may but shall not be obligated to file a notice of the obligations of Current and Future Customers under this Agreement in the real estate records in the county where the Property is located and Owner hereby authorizes the Utility to file such notice.
11. **DISCONNECTION FOR NON-PAYMENT.** Subject to any other Commission or Utility rules or policies, the Upgrade Service Charges shall be considered as an essential part of the customer's bill for electric service, and the Utility may disconnect the Property for non-payment of Upgrade Service Charges under the same provisions as for any other utility service. Notwithstanding the foregoing, the Utility may not disconnect the Property for non-payment of Upgrade Service Charges if (i) the Customer has, in good faith, notified the Program Operator in writing that the Upgrade must be repaired; and (ii) the Program Operator has not yet reached a determination pursuant to section 13 as to whether the Upgrades are functioning as intended and who is responsible for any failure of the Upgrades.

12. **OWNER OBLIGATIONS AND AGREEMENTS.** In consideration of the Upgrades funded by the Utility in accordance with the terms of the TOB Program as memorialized in this Agreement and intending to be legally bound, Owner covenants and agrees to comply with each of the following:
- A. **Maintenance of Upgrades.** Owner agrees to keep the Upgrades in place for the term of this Agreement, to maintain the Upgrades per manufacturers' instructions, and report the failure of any Upgrades to the Program Operator as soon as reasonably possible and shall report such failure to the Utility or its Program Operator not more than thirty (30) days after discovery of the failure or malfunction.
 - B. **Access to the Property.** Owner agrees to allow Utility and/or the Program Operator access to the Property to inspect, perform maintenance and make repairs or adjustment to the Upgrades upon reasonable request by the Utility. If the Property is occupied by a tenant that is not a party to this Agreement, Owner shall make arrangements with the tenant to facilitate access to the Property by the Utility in accordance with this Section.
 - C. **Reporting Obligations.** Owner and each subsequent owner agree to reasonably cooperate with Utility in connection with the collection of information regarding the Property's participation in the TOB Program as may be necessary or requested by the Utility to complete periodic reports regarding the TOB Program or to comply with information requested by the Commission, including, without limitation, providing the Utility with access to the Property to inspect the Upgrades upon reasonable request.
 - D. **Tax Liability.** Owner assumes all responsibilities for any and all tax liabilities resulting from the Upgrade Costs provided by the Utility hereunder.
13. **REPAIRS.** Should Program Operator determine that the Upgrades are no longer functioning as intended, Program Operator will undertake to determine whether the failure of the Upgrades was caused by the Owner, Current or Future Customers, or other occupants at the Property.
- A. If the Program Operator determines that the failure of the Upgrades was not caused by the Owner, Current or Future Customers, or other occupants at the Property, the Utility shall suspend future, un-billed Upgrade Service Charges until such time as the Upgrades are repaired or this Agreement is terminated pursuant to section 15. Notwithstanding the foregoing, previously billed charges shall not be suspended or refunded.
 - B. If Program Operator determines that the failure of the Upgrades was the result of the gross negligence or intentional misconduct of the Owner, a Current or Future Customer, or other occupants at the Property, the Utility may, in its discretion: (i) seek to recover the costs of repairs from the responsible party, (ii) suspend the Upgrade Service Charges, and (iii) seek to immediately recover from Owner all remaining Upgrade Service Charges to complete cost recovery.

14. **APPEAL TO UTILITY.** In the event Owner disagrees with a determination by Program Operator under section 13, Owner may initiate an appeal by providing notice to Utility at [dedicated email address] or by telephone at [dedicated phone number]. The appeal will be considered by Utility and a decision provided within 30 days.
15. **TERMINATION:**
- A. **Expiration Upon Payment in Full.** This Agreement shall terminate when the Utility has fully recovered the Upgrade Costs through Upgrade Service Charges or from Owner pursuant to section 13.B, or 15(C).
- B. **Early Termination by Utility.** In the event that the Upgrades fail and the Utility or its Program Operator determines that the Owner or Current or Futures Customers, or other occupant at the Property, did not by willful misconduct or through gross negligence cause the failure of the Upgrades, and if, in the Utility's sole discretion, the Upgrades cannot be repaired or replaced in a cost-effective manner, the Utility will waive recovery of any outstanding Upgrade Costs and this Agreement shall terminate.
- C. **Early Termination by Owner.** If Owner desires to terminate this Agreement prior to the end of the term the Owner may request, in writing, a final bill of all amounts due under this Agreement together with notice of its desire to terminate the Agreement. Upon receipt of Owner's request as permitted above, the Utility will prepare the final bill, which will consist of all remaining Upgrade Service Charge payments due, excluding the Approved Rate of Return on the unpaid balance included as a component of the remaining Upgrade Service Charge in accordance with the TOB Program. When all amounts due under this Agreement have been irrevocably paid in full to the Utility, the Agreement shall be terminated and notice of the termination will be provided to the Owner and the current Customer at the Property. The failure to pay the full amount due under the final bill by the specified due date will result in the termination of the request for early termination and the Owner will be deemed to have withdrawn the termination request and the Agreement will continue in accordance with its terms.
16. **CONTACT INFORMATION:**
- Utility:
- [insert central notice recipient here]
- Owner:
17. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION OR LOSS OF USE OR DATA, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH

DAMAGES WERE FORESEEABLE AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

18. **INDEMNIFICATION.** Owner agrees to indemnify and hold Utility, its agents, employees, officers, directors, shareholders, representatives, parent and other affiliates harmless from and against any loss, liability, claim, cost, damage or expense (including reasonable attorney's fees) arising out of or in connection with any of the following:
 - A. any inaccuracy in or breach of any of the representations or warranties of Owner contained in this Agreement;
 - B. any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Owner pursuant to this Agreement;
 - C. any acts or omissions of, or as a result of acts or inactions by Owner or its contractors or agents, or as a result of negligence by Owner, its contractors, or agents, which resulted in: (i) injury (including mental or emotional injuries) to or death of any person or (ii) damage to, destruction of or loss of any property.
19. **OWNERSHIP OF INSTALLED UPGRADES.** The Upgrades installed at Owner's Property under this Agreement shall be considered Owner's property at all times during the Term and Owner shall be responsible for all maintenance and risk of loss with respect to the Upgrades upon installation at the Property. In no event shall the Upgrades be deemed to be owned by the Utility.
20. **INSURANCE.** Commencing with the installation of the Upgrades at the Property, and continuing until the termination or expiration of the Owner, shall maintain a home owners insurance policy covering the Upgrades against [all forms of casualty and loss for full replacement value]. Evidence of such coverage shall be provided in the form of a certificate of insurance furnished to Utility prior to the installation of the Upgrades, upon any policy replacement or renewal and upon Utility's request. Any failure to comply with all of these provisions shall constitute an event of default by Owner. In the event that the Upgrades are destroyed or rendered inoperable due to a casualty event or loss, the Owner shall replace the Upgrades with like kind equipment, approved by Utility and shall continue to pay the monthly Upgrade Service Charges until paid in full. If the property is a total loss, this Agreement will be terminated and the unpaid Upgrade Service Charges (excluding the Approved Rate of Return on the unpaid balance) will be due and payable to the Utility within 30 days notice by Utility.
21. **ENVIRONMENTAL ATTRIBUTES AND DEMAND REDUCTION BENEFITS.** Owner acknowledges and agrees that upon installation of the Upgrades at the Property by the Utility, the Utility will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with the energy efficiencies resulting from the Upgrades without further consideration or charge.
22. **ASSIGNMENT.** Agreement shall be automatically assigned to subsequent owners of the Property without further action provided however, Owner shall notify Utility of any change of ownership within 30 days of closing.
23. **ENTIRE AGREEMENT AND SEVERABILITY.** This Agreement contains the entire agreement with respect to the subject matter of the Agreement. In the event of a conflict

between this agreement and the Utility's Tariff, the Tariff shall govern. Further, the operation and effectiveness of this Agreement shall not continue if such continuance would violate any applicable statute, regulation or other jurisdictional authority.

24. **MODIFICATION.** Any modification or addition to this Agreement must be in writing and signed by each Party to this Agreement.
25. **CHOICE OF LAW.** This Agreement will be construed in accordance with the laws of the State of North Carolina.
26. **SURVIVAL.** Section 12(C) (Reporting Obligations), Section 17 (Limitation of Liability), Section 18 (Indemnification), and Section 21 (Environmental Attributes and Demand Reduction Benefits) shall survive the termination, cancellation, or expiration of this Agreement.
27. **COUNTERPARTS.** This Agreement may be executed in counterparts. Signature by facsimile or PDF shall be deemed an original signature for the purposes of this Agreement.

IN WITNESS THEREOF, the Parties have executed this Agreement or caused this Agreement to be executed by their duly authorized representatives effective as of the date first written above Date.

Duke Energy Progress, LLC

[Owner - individual person]

By: _____

Name:

Title:

Date:

Signature:

Printed Name:

Date:

OWNER PARTICIPANT AGREEMENT

THIS OWNER PARTICIPANT AGREEMENT (“Agreement”), is made this ____ day of _____ by and between Duke Energy Progress, LLC a North Carolina limited liability company (“Utility”) and [insert owner name] (“Owner”) (collectively the “Parties”). Hereinafter Utility and Owner may be individually known as a “Party” and collectively as the “Parties.”

WHEREAS, Owner owns [and resides at] the property, consisting of a single family residence, located at [Insert Property Address] (the “Property”);

WHEREAS, the Property is located in Utility’s service territory and occupants residing at the Property are electric customers of the Utility and Owner desires to participate in the Utility’s TOB Program (as defined below) pursuant to which certain energy efficiency improvements will be made to the Property, as further described in Section 1 of this Agreement (the “Upgrades”);

WHEREAS, Utility is willing to provide the upfront payment for the procurement and installation of the Upgrades through its Tariffed on Bill Energy Efficiency Program approved by the North Carolina Utilities Commission (“Commission”), as may be modified from time to time (the “TOB Program”);

WHEREAS, in accordance with the TOB Program the Utility is authorized to recover the cost paid by the Utility for the Upgrades (“Upgrade Costs”) from the current electric customer(s) at the Property and subsequent electric customers (collectively “Current and Future Customers”) through a service charge on the customer’s monthly electric utility bill (“Upgrade Service Charges”) and pursuant to the terms of this Agreement;

WHEREAS, the TOB Program is being administered by a Program Operator under contract with Utility (“Program Operator”) and the current Program Operator is [____];

WHEREAS, Owner has provided an upfront Co-Payment ~~to the Program Operator to compensate the Utility for a portion of~~ toward the Upgrade Costs as invoiced by the Program Operator or its agent as specified below;

NOW, THEREFORE, each Party acknowledges and agrees as follows:

1. **UPGRADES.** In accordance with the TOB Program and subject to the terms of this Agreement, Utility agrees to provide the below specified Upgrade Costs and to purchase and install the below described Upgrades at the Property. The Upgrades may be installed by the Utility or by a Utility approved contractor. Owner agrees to allow Utility or its contractor access to the Property for the installation, repair and inspection of the Upgrades upon reasonable notice.

A. The Upgrades to be installed at the Property are:

[describe Upgrades – if description is lengthy an exhibit page can be attached]

B. Co-Payment received from Owner if any:

[insert amount of Co-Payment]

C. The Upgrade Costs to be paid by Utility are:

[insert amount of (Upgrade costs) – (Co-Payment received) = Upgrade Costs]

2. **UPGRADE SERVICE CHARGE.** The Upgrade Costs shall be recovered by the Utility through a monthly service charge (“Upgrade Service Charge”) charged to the electric utility bill of the then current customer taking service at the Property. The Upgrade Service Charge will be charged to the customer account of record at the Property until repaid, regardless of actual usage at the Property.

A. The monthly Upgrade Service Charge[, which includes a \$___ Program Operator fee] is:

[Insert monthly Upgrade Service Charge]

B. The total Upgrade Service Charge to be made during the repayment term will be:

[Insert total Upgrade Service Charge over the term]

3. **ESTIMATED ENERGY EFFICIENCIES.** The annual electricity savings at the Property after the Upgrades have been completed is estimated to be as follows:

A. [Insert the estimated annual savings (in kilowatt hours and dollars)]

The estimated annual electricity savings specified in this Agreement are based on the results of the energy efficiency analysis conducted at the Property on [date] and on the following assumptions:

- average electricity charges at the Property over the past [___ months] of:
[Insert average electricity charges over the past ___ months]
- [insert other assumptions as applicable]

Actual energy usage at the Property may vary based on usage patterns and other factors beyond the Utility’s control and nothing stated herein is intended as a guaranty of a reduction in the actual electricity usage at the Property.

4. **TERM.** This Agreement will remain in effect until all Upgrade Costs have been recovered by the Utility or until this Agreement is otherwise terminated in accordance with the terms of this Agreement.
5. **REPAYMENT PERIOD.** The initial repayment period for the Upgrade Service Charges shall be ten (10) years of regular payment, provided however, if at any time during the Term, the Utility has no electric service customer of record at the Property, the repayment period will be extended for an equivalent period of time, but not to exceed twelve (12) years, and the Utility will continue to collect Upgrade Service Charges from Current or Future Customers at the Property during that extended Term until the Upgrade Service Charges have been recovered in full.
6. **NO PREPAYMENT.** Owner acknowledges that Upgrade Service Charges cannot be

pre-paid unless in connection with an early termination as permitted under Section ~~16~~15(C). In the absence of a request for early termination, any payment made to the Utility in excess of current charges will be held as a credit on the appropriate customer account and applied to charges, including electric charges, as they become due. During the Term of this Agreement, Utility will provide Owner with an accounting of Upgrade Service Charges received so far and remaining Upgrade Service Charges upon request.

7. **PAYMENT OBLIGATION TIED TO LOCATION.** Owner acknowledges that pursuant to the TOB Program approved by the Commission, Current and Future Customers at the Property are obligated to pay the Utility Service Charges for cost recovery as provided in this Agreement.
8. **SERVICE TO REVERT TO OWNER.** It is the intent of the Parties that electric service will be maintained at the Property for the entire Term. If Owner is not residing at the Property and where there is no tenant residing and taking electric service at the Property the Owner shall have electric service revert to Owner, and the account holder will be responsible for the Upgrade Service Charges incurred during such periods of non-tenancy.
9. **NOTIFICATIONS BY OWNER TO TENANTS AND SUBSEQUENT OWNERS.**
In order to provide advance notice to Future Customers and subsequent owners of the Property, Owner agrees as follows:
 - A. Owner or its leasing agent or subsequent owner, as applicable, shall notify any future tenant that a monthly Upgrade Service Charge will be charged to the tenant's electric utility bill at the Property.
 - B. Owner will notify any successive owner of the Property prior to of the execution of any purchase agreement or transfer of Property ownership that a monthly Upgrade Service Charge will be charged to the tenant's electric utility bill at the Property.
10. **NOTIFICATION BY UTILITY TO FUTURE CUSTOMERS.** In further effort to provide notice to Future Customers the Utility shall provide the following notices:
 - A. Prior to the commencement of new service at the Property, Utility shall provide notice to prospective new customers seeking service at any Property that Utility Service Charges are tied to the Property and will be the obligation of Future Customers.
 - B. Utility may but shall not be obligated to file a notice of the obligations of Current and Future Customers under this Agreement in the real estate records in the county where the Property is located and Owner hereby authorizes the Utility to file such notice.
11. **DISCONNECTION FOR NON-PAYMENT.** Subject to any other Commission or Utility rules or policies, the Upgrade Service Charges shall be considered as an essential part of the customer's bill for electric service, and the Utility may disconnect the Property for non-payment of Upgrade Service Charges under the same provisions as for any other utility service. Notwithstanding the foregoing, the Utility may not disconnect the Property for non-payment of Upgrade Service Charges if (i) the Customer has, in good faith, notified the Program Operator in writing that the Upgrade must be repaired; and (ii) the Program Operator has not yet reached a determination pursuant to section 13 as to

whether the Upgrades are functioning as intended and who is responsible for any failure of the Upgrades.

12. **OWNER OBLIGATIONS AND AGREEMENTS.** In consideration of the Upgrades funded by the Utility in accordance with the terms of the TOB Program as memorialized in this Agreement and intending to be legally bound, Owner covenants and agrees to comply with each of the following:
- A. **Maintenance of Upgrades.** Owner agrees to keep the Upgrades in place for the term of this Agreement, to maintain the Upgrades per manufacturers' instructions, and report the failure of any Upgrades to the Program Operator as soon as reasonably possible and shall ~~endeavor to~~ report such failure ~~within~~ to the Utility or its Program Operator not more than thirty (30) days after discovery of the failure or malfunction.
 - B. **Access to the Property.** Owner agrees to allow Utility and/or the Program Operator access to the Property to inspect, perform maintenance and make repairs or adjustment to the Upgrades upon reasonable request by the Utility. If the Property is occupied by a tenant that is not a party to this Agreement, Owner shall make arrangements with the tenant to facilitate access to the Property by the Utility in accordance with this Section.
 - C. **Reporting Obligations.** Owner and each subsequent owner agree to reasonably cooperate with Utility in connection with the collection of information regarding the Property's participation in the TOB Program as may be necessary or requested by the Utility to complete periodic reports regarding the TOB Program or to comply with information requested by the Commission, including, without limitation, providing the Utility with access to the Property to inspect the Upgrades upon reasonable request.
 - D. **Tax Liability.** Owner assumes all responsibilities for any and all tax liabilities resulting from the Upgrade Costs provided by the Utility hereunder.
13. **REPAIRS.** Should Program Operator determine that the Upgrades are no longer functioning as intended, Program Operator will undertake to determine whether the failure of the Upgrades was caused by the Owner, Current or Future Customers, or other occupants at the Property.
- A. If the Program Operator determines that the failure of the Upgrades was not caused by the Owner, Current or Future Customers, or other occupants at the Property, the Utility shall suspend future, un-billed Upgrade Service Charges until such time as the Upgrades are repaired or this Agreement is terminated pursuant to section ~~46~~15. Notwithstanding the foregoing, previously billed charges shall not be suspended or refunded.
 - B. If Program Operator determines that the failure of the Upgrades was the result of the gross negligence or intentional misconduct of the Owner, a Current or Future Customer, or other occupants at the Property, the Utility may, in its discretion: (i) seek to recover the costs of repairs from the responsible party, (ii) suspend the

Upgrade Service Charges, and (iii) seek to immediately recover from Owner all remaining Upgrade Service Charges to complete cost recovery.

14. **APPEAL TO UTILITY.** In the event Owner disagrees with a determination by Program Operator under ~~sections~~section 13~~-or-14~~, Owner may initiate an appeal by providing notice to Utility at [dedicated email address] or by telephone at [dedicated phone number]. The appeal will be considered by Utility and a decision provided within 30 days.
15. **TERMINATION:**
- A. **Expiration Upon Payment in Full.** This Agreement shall terminate when the Utility has fully recovered the Upgrade Costs through Upgrade Service Charges or from Owner pursuant to section 13.B, or ~~46~~15(C).
- B. **Early Termination by Utility.** In the event that the Upgrades fail and the Utility or its Program Operator determines that the Owner or Current or Futures Customers, or other occupant at the Property, did not ~~deliberately~~by willful misconduct or through gross negligence cause the failure of the Upgrades, and if, in the Utility's sole discretion, the Upgrades cannot be repaired or replaced in a cost-effective manner, the Utility will waive recovery of any outstanding Upgrade Costs and this Agreement shall terminate.
- C. **Early Termination by Owner.** If Owner desires to terminate this Agreement prior to the end of the term the Owner may request, in writing, a final bill of all amounts due under this Agreement together with notice of its desire to terminate the Agreement. Upon receipt of Owner's request as permitted above, the Utility will prepare the final bill, which will consist of all remaining Upgrade Service Charge payments due, excluding the Approved Rate of Return on the unpaid balance included as a component of the remaining Upgrade Service Charge in accordance with the TOB Program. When all amounts due under this Agreement have been irrevocably paid in full to the Utility, the Agreement shall be terminated and notice of the termination will be provided to the Owner and the current Customer at the Property. The failure to pay the full amount due under the final bill by the specified due date will result in the termination of the request for early termination and the Owner will be deemed to have withdrawn the termination request and the Agreement will continue in accordance with its terms.
16. **CONTACT INFORMATION:**
- Utility:
- [insert central notice recipient here]
- Owner:
17. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE

DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION OR LOSS OF USE OR DATA, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

18. **INDEMNIFICATION.** Owner agrees to indemnify and hold Utility, its agents, employees, officers, directors, shareholders, representatives, parent and other affiliates harmless from and against any loss, liability, claim, cost, damage or expense (including reasonable attorney's fees) arising out of or in connection with any of the following:
 - A. any inaccuracy in or breach of any of the representations or warranties of Owner contained in this Agreement;
 - B. any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Owner pursuant to this Agreement;
 - C. any acts or omissions of, or as a result of acts or inactions by Owner or its contractors or agents, or as a result of negligence by Owner, its contractors, or agents, which resulted in: (i) injury (including mental or emotional injuries) to or death of any person or (ii) damage to, destruction of or loss of any property.
19. **OWNERSHIP OF INSTALLED UPGRADES.** The Upgrades installed at Owner's Property under this Agreement shall be considered Owner's property at all times during the Term and Owner shall be responsible for all maintenance and risk of loss with respect to the Upgrades upon installation at the Property. In no event shall the Upgrades be deemed to be owned by the Utility.
20. **INSURANCE.** Commencing with the installation of the Upgrades at the Property, and continuing until the termination or expiration of the Owner, shall maintain a home owners insurance policy covering the Upgrades against [all forms of casualty and loss for full replacement value]. Evidence of such coverage shall be provided in the form of a certificate of insurance furnished to Utility prior to the installation of the Upgrades, upon any policy replacement or renewal and upon Utility's request. Any failure to comply with all of these provisions shall constitute an event of default by Owner. In the event that the Upgrades are destroyed or rendered inoperable due to a casualty event or loss, the Owner shall replace the Upgrades with like kind equipment, approved by Utility and shall continue to pay the monthly Upgrade Service Charges until paid in full. If the property is a total loss, this Agreement will be terminated and the unpaid Upgrade Service Charges (excluding the Approved Rate of Return on the unpaid balance) will be due and payable to the Utility within 30 days notice by Utility.
21. **~~19.~~ENVIRONMENTAL ATTRIBUTES AND DEMAND REDUCTION BENEFITS.** Owner acknowledges and agrees that upon installation of the Upgrades at the Property by the Utility, the Utility will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with the energy efficiencies resulting from the Upgrades without further consideration or charge.
22. **~~20.~~ASSIGNMENT.** Agreement shall be automatically assigned to subsequent owners of the Property without further action provided however, Owner shall notify Utility of any change of ownership within 30 days of closing.

23. ~~21.~~ **ENTIRE AGREEMENT AND SEVERABILITY.** This Agreement contains the entire agreement with respect to the subject matter of the Agreement. In the event of a conflict between this agreement and the Utility's Tariff, the Tariff shall govern. Further, the operation and effectiveness of this Agreement shall not continue if such continuance would violate any applicable statute, regulation or other jurisdictional authority.
24. ~~22.~~ **MODIFICATION.** Any modification or addition to this Agreement must be in writing and signed by each Party to this Agreement.
25. ~~23.~~ **CHOICE OF LAW.** This Agreement will be construed in accordance with the laws of the State of North Carolina.
26. ~~24.~~ **SURVIVAL.** Section 12(C) (Reporting Obligations), Section ~~18~~17 (Limitation of Liability), Section ~~19~~18 (Indemnification), and Section ~~20~~21 (Environmental Attributes and Demand Reduction Benefits) shall survive the termination, cancellation, or expiration of this Agreement.
27. ~~25.~~ **COUNTERPARTS.** This Agreement may be executed in counterparts. Signature by facsimile or PDF shall be deemed an original signature for the purposes of this Agreement.

IN WITNESS THEREOF, the Parties have executed this Agreement or caused this Agreement to be executed by their duly authorized representatives effective as of the date first written above Date.

Duke Energy Progress, LLC

[Owner - individual person]

By: _____

Name:

Title:

Date:

Signature: _____

Printed Name:

Date: